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NEWS SUMMARY

GENERAL

Soviets hint at SALT summit

Soviet leader Leonid Brezhnev will agree to summit talks with President Carter if a new Strategic Arms Limitation Treaty is ready for them to sign.

Andrei Gromyko, Soviet Foreign Minister, said in Moscow that the U.S. had "made some shifts in the necessary, correct direction" during his talks with Mr. Carter and Secretary of State Cyrus Vance.

Mr. Carter telephoned Mr. Brezhnev yesterday in an effort to ease the Lebanon crisis. In Beirut, Christian militias were under constant bombardment from Syrian troops. Back Page

Times warned

Joe Wade, leader of the National Graphical Association, warned that if Times Newspapers (The Times and Sunday Times) carried out its threat to stop publication on November 30 the dispute could spread through the group to its regional newspapers and Thomson Yellow Pages, the classified directories offshoot.

The Daily Telegraph failed to appear in London today for the third day running because of a dispute with the NGA.

Jail riot ends

The riot at Gartree, Leicester, maximum security jail ended when 80 prisoners occupying three blocks gave in. They were protesting at alleged misuse of tranquillisers.

Smallpox check

Hospital and research laboratories in the UK are checking filters on protective cabinets after the discovery of a faulty filter in the Birmingham laboratory where Janet Parker contracted smallpox and died.

Tennis upset

Britain took a shock 2—0 lead on the first day of the Davis Cup semi-final against Australia with Buster Mottram and John Lloyd winning. Sweden and the U.S. are level at 1—1.

Schools hearing

Mr. Justice Browne-Wilkinson has reserved judgment in the High Court action against North Yorkshire council brought by Education Secretary Shirley Williams over comprehensive education.

Tory cash up

Conservative Party donations, mainly from industry and business, rose by 50 per cent in 1977-78 to £1.94m compared with £1.3m the previous year. Back Page

Terrorist bomb

Police in Liverpool are treating as "a serious terrorist incident" the bomb which exploded under a car outside an Orange Lodge hall in Liverpool. It is thought to have been wired to the ignition. The driver escaped serious injury.

Redundant birds

The U.S. Air Force is to save £30,000 by halting the use of falcons to scare away other birds at its UK bases. It will mean the scrapping of a three-year contract with the Norfolk firm Flying Wings which still has two years to run.

Briefly . . .

Geoffrey Boycott, sacked as Yorkshire cricket captain, will announce his future plans on the BBC 1 Michael Parkinson show tonight.

Princess Margaret left Sydney for Tokyo to resume her Pacific tour.

Jean Dadds, Britain's first woman train driver, began work on London's District Line.

French rail unions have called a four-day national strike expected next week.

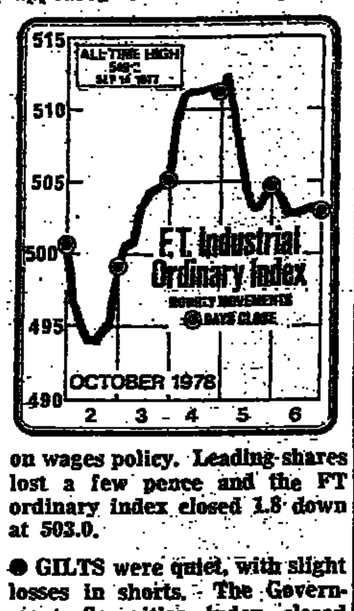
Three men were remanded in custody in London accused of smuggling heroin worth £6m

The Netherlands Parliament is to investigate whether Royal Dutch Shell and other oil companies violated UN sanctions against Rhodesia.

BUSINESS

Equities quiet; Gold at new high

● EQUITY market remained quiet as institutional investors appeared to await developments



on wages policy. Leading shares lost a few pence and the FT ordinary index closed 1.8 down at 503.0.

● GILTS were quiet, with slight losses in shorts. The Government Securities index closed 0.06 down at 69.89.

● STERLING closed 5 points down at $1.9815, its trade-weighted average improving to 62.7 (62.6). The dollar's depreciation narrowed slightly to 9.6 per cent (9.7).

● GOLD rose $¼ up at record $223¾ in London and in New York the Comex October settlement ... price ... was ... $222.50 ($224.20).

● WALL STREET closed 3.55 up at 880.02.

● A PARIS COURT has instructed a number of large French banks to block Nigerian bank accounts because of Nigeria's continued failure to settle a debt for cement purchases dating back to 1975. Nigeria is involved in a $750m loan being raised on international markets. Back Page

● EUROPEAN FERRIES will provide a substantial part of the £6m. costs involved in developing passenger-carrying helium airships. Page 3

● ASSOCIATED NEWSPAPERS has emerged as the main financial backer behind Jetlink Ferries which will operate a Boeing hydrofoil service between Brighton and Dieppe next spring. Page 3.

● DATSUN UK executive has claimed that more than 100 dealers have had their franchises for Japanese cars revoked as a result of sales restrictions in the UK. Page 3

LABOUR

● NATIONAL Union of Journalists will decide in the next few weeks whether to withdraw from the Press Council—a move which could undermine the council's role as adjudicator on editorial conduct on newspapers. Page 4

● JOB openings for Britain's 80,000 university graduates are expected to rise by at least 10 per cent next year, says an expect in graduate employment. Page 4

● BARROW HEPBURN auditors Mann Judd have resigned and are to be replaced by Price Waterhouse. The leather group recently uncovered "serious irregularities" in a Glasgow subsidiary which, Barrow Hepburn disclosed, may cost the group a total £4.2m. Back Page

● SLATER WALKER, which was taken over by the Bank of England in September 1977, shows a £97,685 profit for the 14 months to the end of last February in its first accounts published since the Bank's acquisition of the company. Page 3

COMPANIES

● SCOTTISH TELEVISION first half profits rose from £1.05m to £1.08m on sales ahead at £9.15m (£7.53m). Page 18

● ABERTHAW and Bristol Channel Portland Cement reports first half pretax profits down from £835,000 to £522,000. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...mbers	150	+ 8
...own & Jackson	246	+ 12
...rton A	174	+ 11
...wson Int.	199	+ 4
...NFC	8	+ 1½
...ster Bros.	175	+ 8
...wthorn Baker	75	+ 5
...RC Intl.	36½	+ 2½
...n. Merchant Secs.	151	+ 8
...well (Y. J.)	113	+ 5
...dhurst White	48	+ 4½
...orris & Blakey	94	+ 6
...rker Timber	111	+ 5
...t. Zochonis A N/V	190	+ 12
...oenix Timber	153	+ 8
Town Centre Props.	76	+ 4
Wolstenholme Bronze	265	+ 10
Malakoff	87	+ 5
Falcon Mines	170	+ 10
Joburg Cons.	£15¼	+ ¼
Lydenburg	73	+ 5
MIM Hldgs.	200	+ 5
Minorco	182	+ 5
Rustenburg	107	+ 5

FALLS

Aberthaw Cement	143	− 9
Beecham	700	− 10
Bryant Hldgs.	47	− 4
Footwear Ind. Invs.	70	− 4
Glaxo	627	− 8
Hawker Siddeley	246	− 9
Leigh Interests	145	− 9
Robertson Foods	156	− 4
Spong	33	− 5

Zambia re-opens rail trade link through Rhodesia

BY OUR OWN CORRESPONDENT: LUSAKA, Oct. 6

PRESIDENT Kenneth Kaunda of Zambia announced today that his economically-ailing and land-locked country would once again begin using, with immediate effect, the rail route through Rhodesia to import goods, including fertiliser, and to export copper.

The decision is one of the biggest policy reversals in recent Zambian history and will have both domestic and international political repercussions.

One of the most pressing reasons for the change is the country's severe difficulties in importing 180,000 tonnes of fertiliser, needed for the next maize season. Planting starts in November and maize meal is Zambia's staple food.

The country is also facing great difficulties in exporting its copper, which provides over 90 per cent of foreign exchange earnings.

Most of Zambia's exports have been going to the congested port of Dar es Salaam along the Tazara railway line, but major bottlenecks have built up along this route.

The International Monetary Fund, which earlier this year reached agreement on a $390m (about £197m) aid package, has demanded that Zambia solve its transport problems along the Tazara route by whatever means possible.

The IMF is reliably reported to have told Zambia several months ago it would be necessary to re-open the "southern route." To underscore the point a backlog of 140,000 tonnes of copper exports had built up on the Tazara line, robbing the country of badly-needed foreign exchange.

Zambia has therefore been unable to meet an IMF demand that it shorten the pipeline for payment for imports from its present $520m to $450m by the end of last month.

A Zambian team is expected to return to Lusaka tonight from Washington after negotiations with the IMF on softening these terms on which further disbursements of the $390m aid had been made conditional. Officials in Lusaka said the IMF was likely to have agreed.

While IMF pressure is a major influence behind Zambia's decision, there are other, equally serious, factors involved.

One is the feeling in Government circles, supported by opponents of Dr. Kaunda, that economic sanctions against Rhodesia have been a failure, which the West—as shown by the Bingham report — is now prepared to acknowledge.

"Sanctions have become a weapon against Zambia, not against Rhodesia, so why should we starve ourselves any longer?" a senior official said.

More pressing, however, is the transport crisis. Zambia sealed its side of the border in January 1973, after Mr. Ian Smith, the Rhodesian Prime Minister, first closed the border from his side and then reopened it.

Until them the Victoria Falls railway bridge over the Zambesi River had carried a substantial portion of Zambian imports and exports.

Announcing his decision today, Dr. Kaunda said it did not mean the entire 450-mile border was being reopened or that trade was being re-established with Rhodesia.

Official figures indicated that

Continued on Back Page

Economic and political considerations, Page 2

India to pay £1.2bn for Jaguar jet

BY K. K. SHARMA NEW DELHI, Oct. 6.

THE INDIAN Government tonight selected the Anglo-French Jaguar for the Indian Air Force's requirement of a "deep-penetration" aircraft in a £1.2bn deal with British Aerospace.

The Jaguar was chosen in preference to the French Mirage and the Swedish Viggen, also in the running for the large Indian order which will consist initially 40 aircraft. British Aerospace will then establish plants to make the aircraft in India.

The Jaguar will replace the Indian Air Force's ageing and obsolete Canberras and Hunters. The Government claims that there will, therefore, be no change to the strength of the Air Force although the new aircraft undoubtedly has far superior equipment and performance. The Jaguar has two 30mm cannon and a maximum load of 10,000lbs. It can carry tactical nuclear weapons and "Magic" air-to-air missiles as well as air-to-surface missiles.

The Government's decision was announced soon after Mr. Atal Behari Vajpayee, the External Affairs Minister, called "deeply regrettable" a decision he claimed the U.S. has taken to sell the F-5E to Pakistan. He said that this would set off an arms race in the subcontinent.

The U.S. decision, said Mr. Vajpayee, was conveyed to him by Mr. Cyrus Vance when the two met in Washington recently. India's view is that Pakistan has already increased its defence potential when its defence liabilities have been reduced and it does not need such a versatile aircraft as the F-5E.

The protest to the U.S. was clearly made by India to preempt criticism of its own decision to buy "deep penetration aircraft." A noisy exchange of protests between India and Pakistan over the aircraft is inevitable.

The Jaguar was chosen after careful study of the performance of the three aircraft by two high-level teams. The Viggen went out of the running when the U.S. announced it would veto the deal (the aircraft has an engine developed in the U.S.).

Detailed negotiations over the past two years were held with the British and French. The basis of the selection was that the aircraft should be made as speedily as possible in the country, that it should be the best from the defence angle and also make the country self-reliant. The "buy-back" principle accepted by Britain will enable India to be technologically advanced as well as earn foreign exchange.

The Jaguar is the most economical of the three aircraft to operate and its manufacturers have offered the most favourable delivery schedules.

Michael Donne writes: The Jaguar is a twin-engined low-level supersonic strike aircraft, developed and manufactured jointly by Britain and France, and has been in production for several years for the RAF and French Air Force, each of which has taken 200 aircraft. A number of overseas deals have been achieved, including sales to Oman and Ecuador. Although officially an Anglo-French aircraft, the export sales effort is in the hand of British Aerospace. But Dassault-Breguet of France will share in the order. Rolls-Royce Turbomeca, the joint Anglo-French engine company, will also be involved, on the Adour engines for the aircraft.

David Buchan reports from Washington: State Department officials today denied that there was any agreement to sell F-5's to Pakistan, adding that Pakistan had not even formally asked for the aircraft.

Peking to let European companies open offices

BY MARGARET VAN HATTEM BRUSSELS, Oct. 6.

THE CHINESE Government has decided to allow European companies to open representative offices in Peking.

It has also indicated to the EEC Commission that it is prepared to relax its stringent controls on the use of Western credit for trade and resources development.

Although Government-to-government loans are still unacceptable, the Chinese authorities have indicated that they are interested in borrowing from Europe.

However, this is providing they see a good chance of repaying fairly promptly and providing the Chinese Government is not directly involved.

Herr Wilhelm Hafferkamp, the EEC Commissioner for External Affairs, said today on his return from a 10-day visit to China that over the next two years European companies should be able to lay a solid foundation for participating in China's industrial development.

Energy, non-ferrous metals and light industry would provide the biggest opportunities for the time being.

Living standards reach new peak

BY DAVID FREUD

LIVING STANDARDS reached their highest level in the second quarter of this year, mainly due to earnings rising as the rate of inflation slowed.

At the same time, revised figures released yesterday by the Central Statistical Office show that the underlying profitability of the company sector has declined.

Between April and June living standards, as measured by real personal disposable income, were higher than the previous peak in the fourth quarter of 1974.

In 1975 prices, seasonally adjusted, real personal disposable income totalled £19.3bn in April-June, compared with £19.2bn in October-December 1974.

LIVING STANDARDS

		Real personal disposable income at 1975 prices	Personal savings ratio*
		£m	
1976		74,184	14.6
1977		73,082	14.1
1976	1st	18,625	15.6
	2nd	18,419	14.3
	3rd	18,361	15.8
	4th	18,279	12.9
1977	1st	18,183	14.1
	2nd	17,954	13.7
	3rd	18,063	12.6
	4th	18,882	16.1
1978	1st	18,722	12.6
	2nd	19,324	15.3

* Saving as a percentage of disposable income. All seasonally adjusted.

Source: Central Statistical Office

The second quarter total was 3.2 per cent higher than the January-March figure and 7.6 per cent up on the same period a year ago.

A longer-term comparison shows that living standards in the first half of this year were 3 per cent above those in the previous six months.

The Central Statistical Office said that the bulk of the increase in living standards was due to wages and salaries rising faster than prices.

About two-thirds of the improvement was attributed to this factor and the remaining third to tax cuts.

Consumer expenditure did not keep up with the increase in disposable income, rising only 2 per cent between the last two quarters in terms of current prices, and remaining unchanged in volume.

This meant that there was a

Continued on Back Page

£ in New York

—	Oct. 6	Previous
Spot	$1.9770-9780	$1.9830-9840
1 month	0.51-0.46 dis	0.50-0.45 dis
3 months	1.65-1.60 dis	1.61-1.51 dis
12 months	5.95-5.80 dis	5.80-5.70 dis

Healey hints at easing of 5% pay restriction

BY PHILIP BASSETT AND NICK GARNETT

THE MOST definite indication yet that the Government is prepared to compromise on its 5 per cent pay limit—to avoid a winter of confrontation with the trade unions—was made last night by Mr. Denis Healey, Chancellor of the Exchequer.

Mr. Healey's hint of a relaxation of the rigid Phase Four limit prepares the ground for talks to be held next week between Ministers and senior TUC leaders to try to heal the breach over pay which was opened this week at the Labour party conference in Blackpool.

The Chancellor, speaking in Leeds, said that the talks would discuss "whether it is possible to get the right increase in overall earnings this year with more flexibility than the present policy allows."

He said that other countries had managed to show commonsense in wage negotiations without "a strict and detailed policy for pay." He hoped for the same in Britain "before long."

Mr. Healey said that the Government and the TUC would discuss what each meant by "responsibility in collective bargaining."

He echoed the Prime Minister's warning in Blackpool this week on control of the money supply when he said inflation could be kept under control only if there was "the right combination of fiscal and monetary policy with moderate pay increases."

The Transport and General Workers' Union gave notice yesterday of specific assaults on pay policy within the Michelin Tyre Company and Imperial Chemical Industries.

At Michelin, the union is not only claiming substantial pay rises above Phase Four's 5 per cent for 8,000 manual workers, but it is also insisting that pay rises be applied in a certain way. The application itself would appear to be outside the guidelines.

Within ICI, the transport workers, together with other signatory unions will now try to force the company to renegotiate a Phase Three 10 per cent deal, settled only a few months ago, in an attempt to break the rule that there should be 12 months between main settlements.

This would be strenuously resisted by the company.

Union officals warned that at Michelin there was a serious possibility of confrontation over the claim which was due to be settled at the beginning of this month.

Last year the company negotiated a staged Phase Three deal. This gave varieties of 8 per cent during the deal's first period, 11 per cent for the middle period and 14 per cent for the last months of the deal. The overall settlement was worth 10 per cent.

Labour Party Conference and Labour News, Page 4

English Property chief change

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

MR. DAVID LLEWELLYN is to step down as chief executive of English Property Corporation.

Mr. Llewellyn, who built the corporation into the second largest property group in the country in the early 1970s before heavy borrowings ran the group into serious revenue problems, has, "at the invitation of the board," agreed to become its joint deputy chairman from the beginning of November.

Mr. Stanley Honeyman will then take over as chief executive.

Mr. Llewellyn's move comes two months after the breakdown of takeover talks for the corporation by the Dutch property group NV Beleggingsmaatschappij Wereldhave.

At the time of the bid the City was alive with talk that Eagle Star, the corporation's largest institutional shareholder with 27.3 per cent of the group's shares, was pressing for a more radical property sales programme to cut its £½bn borrowings and speed the reduction of its £11m-a-year net revenue drain.

Mr. Llewellyn said yesterday: "There has never been any disagreement with Eagle Star on matters of policy."

He added that, after ten years as an executive, "one gets stale." The move would "allow a fresh approach to the management."

His change to a non-executive role will give Mr. Llewellyn more time for his own property interests. But he has no plans to leave the corporation where he holds one of the largest personal shareholdings.

Mr. Honeyman, at present Mr. Llewellyn's deputy and formerly the assistant managing director of Watney Mann's property business, confirms that there has been no board room coup. "I have simply inherited his (Mr. Llewellyn's) bed of nails."

As part of the boardroom reshuffle, Mr. Gerald Rothman will become Mr. Honeyman's deputy.

● English Property Corporation's half-year results appear on Page 18.

CONTENTS OF TODAY'S ISSUE

For latest Share Index 'phone 01-246 8026

OVERSEAS NEWS

Ullsten tipped as head of new Swedish government

BY OUR FOREIGN STAFF

SWEDEN'S POLITICAL leaders began talks yesterday on the formation of a new Government following the resignation of Mr. Thorbjorn Falldin, the Swedish Prime Minister. Mr. Falldin, head of the country's first non-socialist Government in 44 years, quit after failing to reach agreement with his two coalition partners over the nuclear issue.

Mr. Henry Allard, Speaker of the Swedish Riksdag (parliament), discussed the formation of a new Government with the various party leaders but no decision is expected until after the weekend.

Mr. Olaf Palme, leader of the Social Democratic Party and former Prime Minister, was the first person to have talks with Mr. Allard yesterday. But Mr. Ola Ullsten, 47-year-old Foreign Aid Minister and Vice-Premier in the outgoing Cabinet, is considered by observers in Stockholm to be the most likely sucessor to Mr. Falldin.

The Swedish Press has been speculating that Mr. Ullsten might form a coalition with the conservative party led by Mr. Gosta Bohma. It is thought that such a coalition would have the tacit support of Mr. Falldin's Centre Party until general elections are held on September 18 next year.

Much still depends on the successful resolution of the nuclear issue. Mr. Fallden came to power two years ago with a firm promise to abondon any nuclear programme, and it was that which probably tipped the scales in favour of the non-socialist camp in the last election. In a pre-election pledge, the outgoing Prime Minister had said that he would never be part of a Government which built another reactor.

By way of compromise, the coalition parties suggested that power companies must prove that they could deal with any nuclear waste in a safer fashion than in the past. When the Prime Minister looked as though he was on the verge of accepting the compromise allowing the construction of Sweden's seventh and eighth nuclear reactors, new pressure was applied within the party.

It seems that Mr. Falldin then decided to allow a referendum on the subject instead of agreeing to the demands of his coalition partners for a maximum of 10 reactors. His partners felt that the country needed nuclear power and refused the offer of a referendum. They have agreed to act as a caretaker government to handle daily business.

Back page: Man of the Week Thorbjorn Falldin.

Soviet Union pledges more arms to Syria

BY DAVID SATTER

MOSCOW, Oct. 6.

THE SOVIET UNION has apparently agreed to increase military aid to Syria following two days of talks between Mr. Hafez Assad, the Syrian President, and top Soviet leaders.

A joint communique issued tonight after the conclusion of the meetings said the sides adopted "relevant decisions" after discussion of further Soviet assistance to Syria in strengthening its defence potential.

The Soviet news agency Tass earlier today said that the Soviet Union pledged itself to give further support to Syria and other hard line Arab states opposed to the Camp David accords—and—it was widely assumed this support would take the form of military aid.

The Soviets and Syrians condemned Israel for interference in Lebanon and "unending attempts to increase tension and provoke a split in the Lebanese state."

The joint communique also called for the consolidation of Lebanese Government authority in Lebanon and observation of the "legitimate interests of the Palestine resistance movement in Lebanon."

The high level Soviet Syrian talks were attended both today and yesterday by Mr. Leonid Brezhnev, the Soviet President, Mr. Alexei Kosygin, the Soviet Premier, Mr. Andrei Gromyko, the Soviet Foreign Minister, and Mr. Dmitri Ustinov, the Defence Minister.

Such attention to a visiting foreign head of state is a measure of the seriousness with which the Kremlin views the present Middle East situation.

The communique reaffirmed the demand for complete Israeli withdrawal from all Arab territories occupied in 1967 and establishment of Palestinian national rights including the right to a Palestinian state.

The Soviet side said that the task of rallying all forces opposed to the "capitulatory line in Middle East affairs" becomes particularly urgent under existing circumstances.

U.S. jobless figures reach 6% in September

WASHINGTON, Oct. 6.

THE UNEMPLOYMENT rate in America edged up from 5.9 per cent to 6 per cent in September, but the number of adult women with jobs increased sharply, the U.S. Labour Department announced.

Adult male unemployment declined to 4 per cent in September from 4.1 per cent in both August and July. The rate for women declined to 6 per cent from 6.1 per cent in August and 6.5 per cent in July. Teenage unemployment rose last month to 16.6 per cent from 15.6 per cent in August and 16.3 per cent in July. But black unemployment declined to 11.2 per cent from 11.7 per cent in August and 12.5 per cent in July.

The report indicated that the jobless rate is stabilising at the 6 per cent level, compared with 6.8 per cent a year ago.

Most of the gain in unemployment last month was caused by persons new to the labour force. The number of Americans with jobs advanced by 290,000 in September to 94.9m, the Department said.

But the administration has become increasingly worried about inflation as rising wholesale food prices threaten a new round of grocery price increases.

While inflation has run at a rate of about 10 per cent so far this year, the unemployment situation has improved. The administration expects a 5.7 per cent joblessness rate in the last three months of 1978.

Agencies.

● Reuter adds: The Senate defeated the Republican Kemp-Roth tax cut proposal to slash income-tax rates by 33 per cent over three years.

THE LEBANON

UN Security Council in bid to end bloodshed

UNITED NATIONS, Oct. 6.

AS FIERCE fighting between Syrian troops and Christian militias spread in Beirut, the United Nations Security Council tonight agreed to meet and consider proposals for ending the heaviest bloodshed in Lebanon since the 1975 civil war.

A UN spokesman said the debate was expected to begin tonight and members would meanwhile hold further private consultations on a draft resolution.

The UN action followed closely an announcement by the U.S. State Department in Washington that President Carter had personaly contacted Soviet President Leonid Brezhnev and other world leaders urging them to back international efforts to stop the fighting.

Earlier, a UN spokesman in Geneva said Prince Sadruddin Aga Khan, the United Nations special emissary to Lebanon, would fly to the Middle East tomorrow to try to halt the increasingly vicious conflict.

Our Foreign Staff adds: The Christian forces in East Beirut yesterday appeared almost completely cut off by Syrian troops following the failure of persistent assaults by the Christian militias to regain control of the key Qarantina bridges, using Super-Sherman tanks. The bridges link the Christian-held area of the capital with the main Maronite area of Lebanon.

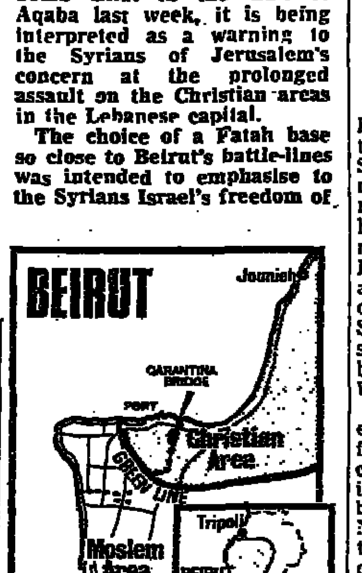
The bridges are vital to the port of Jounieh, where Christian communications to Israeli-supplied armaments are landed. A communique issued by the Syrian-dominated Arab peace-keeping force said yesterday that two Super-Shermans were destroyed and the rest driven back. The Christians are believed to have received 12 Super-Shermans from Israel.

Reports in the left-wing press in the capital yesterday suggested that Syrian troops had broken the back of the Christian military organisation after five days of shelling, but the militias are likely to keep up resistance in the hope of provoking international or Israeli intervention.

The Christian forces would be able to inflict heavy casualties on Syrian infantry if a major assault were launched on the narrow, and now largely ruined, streets of the Christian eastern quarter of Beirut. But to affect the outcome of the fighting the Israelis would have markedly to step up their supplies of heavy weapons to the Christian forces.

The Israeli naval attack on the Palestinian naval base in west Beirut has momentarily raised Christian morale, but without major intervention its effect will be largely cosmetic. Ostensibly designed as retaliation for the Fatah attempt to bomb Eilat in the Gulf of Aqaba last week, it is being interpreted as a warning to the Syrians of Jerusalem's concern at the prolonged assault on the Christian areas in the Lebanese capital.

The choice of a Fatah base so close to Beirut's battle-lines was intended to emphasise to the Syrians Israel's freedom of



movement in the area, and possibly to relieve some of the pressure on the Christian supply lines, running north from Beirut to Jounieh. During a previous round of fighting in July, Israeli fighter bombers delivered a similar warning by overflying the capital.

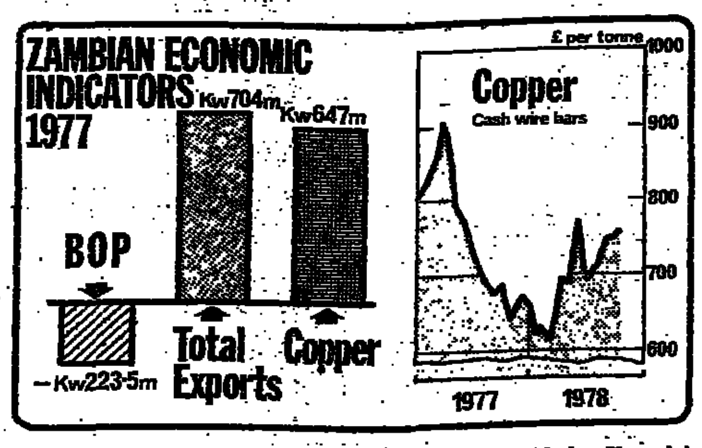
Israel has emphasised in the past that it would not allow the destruction of the Christian militias by the 30,000 Syrian troops in Lebanon, but Mr. Moshe Dayan, the Foreign Minister, had previously only criticised the Syrians for acting "very negatively." The raid will meet some of the criticism within Israel that Jerusalem's reaction to the sustained bombardment of East Beirut and surrounding towns has been too passive.

Britons in Lebanon who do not have urgent business in the country should consider leaving, the Foreign Office said today. About 600 live in Lebanon, most of them in Beirut.

ZAMBIA OPENS RHODESIA RAIL LINK

Economic crisis outweighs political opposition

BY OUR FOREIGN STAFF



ZAMBIA'S decision to start using rail routes through Rhodesia raises profound political issues—domestic and international—for President Kaunda, while easing, but not resolving, the country's deep-rooted economic crisis.

Central to Zambia's problems is the post-1974 slump in the world market price of copper and the failure of the economy to mave away from dependence on this commodity. Copper provides over 90 per cent of the country's foreign exchange earnings.

To this have been added immense transport problems, produced partly by Zambia's landlocked position in the heart of Africa and partly by the politics of the region. Since 1973, Zambia has not used the southern rail route for exports through Rhodesia, wanting to make a move away from dependence on political point against the Smith Government. However, some quantities of Rhodesian coke are understood to have crossed the border since then. In 1975 the Angolan civil war cut off another valued export route—the Benguela railway to Lobito—and this has yet to re-open.

Thus, 90 per cent of Zambia's trade has been going through the congested Tanzanian port of Dar Es Salaam, most of it along the Tazara railway line linking Zambia and Tanzania. However, by the end of July, at least 100,000 tons of copper were held up somewhere along this route—about 15 per cent of annual production. Reasons include a shortage of trucks on the railway, poor management of the line, a slow turn-round time for trucks and inadequate handing facilities at Dar Es Salaam.

The problems on the Tazara route explain why Zambia has tried to route its vitally needed fertiliser imports through Mozambique and thence across South Africa and Botswana into Zambia. However, as yesterday's opening of the Rhodesian route indicates, the fertiliser was simply not moving fast enough along this tortuous path to Zambia, the last part of it by road.

The fertiliser is essential for Zambia's hybrid maize crop, which provides the staple diet for the country's 5.5m people. The fertiliser must reach the farmers by the end of October in time for the November rains—thus, in part, the reason for President Kaunda's decision.

Poor copper prices and transport difficulties have spelt immense economic problems for Zambia. The country's copper mines have been running at a loss and have been forced to borrow heavily from the Bank of Zambia to keep going and thus provide vitally needed foreign exchange. The overall balance of payments deficit at the end of last year was Kwacha 223m., while foreign exchange reserves were virtually exhausted.

Last March, the IMF stepped in with a two-year aid programme under which it would provide \$390m credit and reschedule an earlier \$46.6m IMF facility. However, the IMF made the gradual disbursement of these funds conditional on Zambia meeting some tough targets. These included a reduction in internal Government borrowing and in the budget deficit, a reduction in the pipeline for payments for imports and a reduction in borrowing by the Zambian mines from Kwacha 176m to K120m.

However, difficulties in exporting copper through Dar es Salaam have meant that despite the IMF aid there has been no improvement in Zambia's foreign exchange position since then. The Zambians failed to meet an IMF condition that they reduce the import pipeline by about \$70m to \$450m by the end of September and a Zambian team has just been in Washington trying to renegotiate this issue. (Waiting time on payment for imports is 15 months or longer.)

Set against this, some financial sources in Lusaka argue that Zambia has now sorted out its major internal financial problems and should be able to begin shortening the import pipeline. The opening of the Rhodesia route for copper exports will be a great help in this.

The opening of the route is likely to be privately welcomed by the Western financial aid consultative group, on which Zambia is relying for substantial additional assistance. This met in Paris in June and is to meet again in January. The transport issue was raised at the Paris meeting and caused considerable concern.

However, even with the use of the Rhodesia route, continuing low copper prices means that Zambia's mines still face major problems—and so does the country in its efforts to reduce dependency on the mineral.

In political terms, the resumption of the Rhodesia rail route is a vindication of the platform on which former Vice-President Simon Kapwepwe had been tempted to challenge Dr. Kaunda at the forthcoming presidential elections, due to be held in mid-December.

In July this year, Mr. Kapwepwe, announced his candidacy (which was to be rejected on technical grounds by the ruling United National Independence Party) and launched a scathing attack on President Kaunda's handling of the economy. He called for reopening of the Rhodesian border as well as open trade with Rhodesia and South Africa, immediate de-nationalisation of certain State-owned "parastatal" industries which dominate Zambia's economy, and a searching review of the Socialist-based humanist policies of Dr. Kaunda.

A fortnight later Mr. Kapwepwe's views on State-owned companies appeared to be reflected in a Parliamentary Select Committee report on parastatals which cited inefficiency, poor management and corruption in many of the companies they examined. (Their report excluded the two Government-owned copper mines, Roan Consolidated Mines and Nchanga Consolidated Copper Mines.) Mr. Kapwepwe's proposals were bitterly denounced in the State-controlled Press, and his call for the border reopening ridiculed.

Although Mr. Kapwepwe cannot contest the Presidential elections his views may find backers among candidates in the Parliamentary election to be held at the same time. Thus Dr. Kaunda faces the prospect of a hostile Parliament in the months ahead.

At the same time, the business community is virtually united in wanting a pragmatic approach to ease its problems and similar sentiments are voiced in Parliament.

As it is, informed sources say coke from the Wankie Colliery Mines in Rhodesia has already been crossing the border. Although coke is also being imported via Dar es Salaam from Italy and Germany, it has been insufficient to meet copper needs. Rhodesian coke stopped arriving altogether in May last year, when Dr. Kaunda made his "state of war with Rhodesia" speech. But by December hold-ups at Dar es Salaam meant the coke was not getting through and the Broken Hill lead smelter furnaces were forced to shut. The position was reviewed at a Cabinet meeting in December. At that time the President was still against taking coke from Wankie but by May or June coke started crossing the border in comparatively small amounts to make up any shortfall in requirements. The delay in implementing the decision was in part due to the fact that Rhodesians demanded payment in advance at a time when Zambia was severely short of foreign exchange.

The Zambian border decision has additional military, economic and political implications for southern Africa.

First of all, it is a substantial blow to the Nkomo wing of the Patriotic Front, which operates from bases in Zambia. Clearly any attacks by its guerrillas on the through route being used by the Zambians will now constitute an attack on a key Zambian lifeline. By reopening the border President Kaunda has weakened Mr. Nkomo's bargaining position.

At the same time, Zambia has strengthened the position of Mr. Ian Smith, the Rhodesian Prime Minister, both diplomatically and economically.

Western bid to break Namibia deadlock with talks in S. Africa

BY QUENTIN PEEL

JOHANNESBURG, Oct. 6

A VISIT by the Foreign Ministers of the five member States of the UN Security Council to South Africa is now likely, and arrangements are being finalised, diplomatic sources said here today.

The Ministers, including Mr. Cyrus Vance, the U.S. Secretary of State, will attempt to break the apparent deadlock between South Africa and the United Nations over a peaceful settlement and free elections in Namibia (South West Africa). They are expected to have talks with their South African counterpart, Mr. Pik Botha, and almost certainly with Mr. P. W. Botha, the new Prime Minister, as well. They will also visit the Namibian capital of Windhoek for talks with the internal political organisations there.

The most likely timing of the visit is said to be the end of the coming week, with the Ministers arriving in Pretoria on Friday or Saturday and visiting Windhoek over the weekend. However, no date has been finalised with the South African Government.

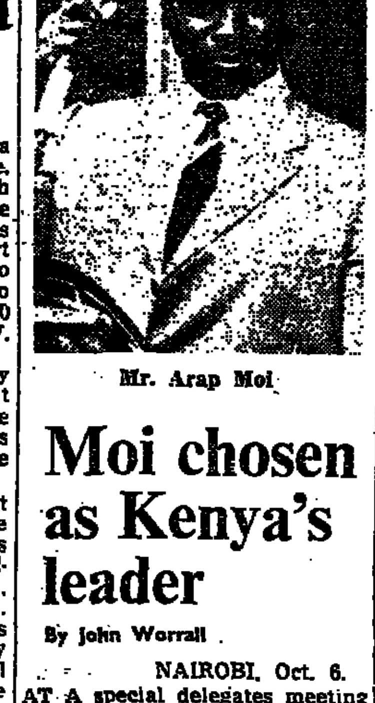
Speculation over the coming visit—the highest level combined mission ever to visit South Africa—has coincided with a flurry of activity on the South African side relating to Namibia. Judge M. T. Steyn, the South African Administrator General in Windhoek, spent the day in consultations with both the Prime Minister and Foreign Minister, as well as calling on Mr. John Vorster, the former Prime Minister and President Elect.

Judge Steyn is responsible for carrying out the elections which the South African Government is determined to press ahead with in December, without UN supervision. Any negotiations with the Western Powers will inevitably centre on the form and timing of the elections. Western sources here are adamant that the December elections, under South African control, will be regarded as both too early and neither free nor fair. The UN plan provided, besides a large civilian and military presence, for a seven months' preparatory period.

Another visitor to Pretoria today was Mr. Dirk Mudge, Chairman of the pro-South African Democratic Turnhalle Alliance, one of only two parties to have registered to take part in the elections and hitherto insistent that they must go ahead as planned. He spent 90 minutes in talks with Mr. P. W. Botha.

No statements were issued by the South African Government but observers still believe the Government to be sticking to its election timetable, whatever the consequences.

The South African government has promised its response to the UN election plan, and its explanation by Dr. Kurt Waldheim, the UN Secretary General, after consulting Judge Steyn. Diplomats here expect this response by Monday. They say that while its contents will clearly affect the position of the Foreign Ministers, they do not expect it to be decisive in whether or not the visit goes ahead.



Mr. Arap Moi

Moi chosen as Kenya's leader

By John Worrall

NAIROBI, Oct. 6.

AT A special delegates meeting of the Kenya African National Union (KANU) today attended by 2,000 people from all parts of Kenya, Mr. Daniel Arap Moi was elected by acclaim as president of the party and the nation. Mr. Moi, who is 54, has been caretaker President since the death of Mr. Jomo Kenyatta. His election was a foregone conclusion.

Every branch and sub-branch of the party, which is Kenya's sole political party, was represented.

When the party's acting secretary-general, Mr. Robert Matano, asked whether there was any opposition to Mr. Moi's election, there were loud sohuts of "Moi Juu, Moi Juu" (Up Moi). Delegates threw their programmes in the air, shouted and sang party songs.

In a short speech, President Moi, wearing the KANU red shirt pledged to preserve national and party unity, and warned against "squabbles and competition" among party leaders.

President Moi announced that elections for the KANU party executive would be held on October 28. These elections were to have been held last year but were postponed due to the illness of Jomo Kenyatta.

The first to announce his candidature as party vice-president was Mr. Mwai Kibaki, the Finance Minister, who held a special news conference. He was careful to point out that the vice-president of the party was not automatically the national vice-president. That appointment is in the hands of the President. Nevertheless, Mr. Kibaki is the popular tip for the national vice-presidency.

Rail officials to discuss routes

By Our Own Correspondent

JOHANNESBURG, Oct. 6

SOUTH AFRICAN railways officials are expected to meet their Zambian counterparts in Johannesburg soon to finalise arrangements for the carriage of Zambian traffic through South Africa. A railways spokesman said here that so far no firm decision had been taken on the routes to be used.

The most urgent problem to solve is the transport of Zambia's fertiliser which has been offloaded at Beira and Maputo in Mozambique. South African railways has been involved in moving the fertiliser from Maputo to the Botswana border where it has been taken by Rhodesia railways to Francistown for final despatch by road transport to the Kazungula ferry in Zambia. So far, however, little more than 12,000 tons have been moved in this way, out of 78,000 tons landed at Maputo.

The major bottleneck appears to be between Francistown and Kazungula, with South African hauliers unwilling to carry extra traffic, according to freight industry sources. Rhodesia railways say they have been handing over the fertiliser to the shipping agents at a rate of some ... tons a day.

There is no information on the fate of the 75,000 tons of fertiliser which had been loaded in Beira for transport by Mozambique railways and road haulage to Zambia. However, reliable sources say that a further 12,000 tons which was to be offloaded in Maputo has already been diverted to the South African port of East London.

Railways sources say that the most logical route to carry the Maputo fertiliser would be through the eastern Transvaal rail link to Soekmekaar, joining up with the Pretoria-Beitbridge line into Rhodesia, and then to Victoria Falls. However, the Pretoria - Mafeking - Francistown - Bulawayo route identified by President Kaunda might be more politically acceptable, and avoid the most congested Rhodesian lines.

The probable route for Zambian copper exports would be the same as for Zaire's copper, along the Rhodesia railways through Botswana to Mafeking and thence to East London.

Although South African railways are thought to have sufficient spare capacity to carry Zambian traffic, there have been reports of congestion on the Rhodesian lines, causing cuts in Rhodesia's export capacity. A railways official admitted here that the extra task of carrying Zambian imports and exports "will not be an easy job. Obviously we will make a plan to handle it if our Government accepts."

Defeat for Basques

By Robert Graham

MADRID, Oct. 6.

EFFORTS by Basque politicians to include a special addition to Spain's draft constitution that recognised certain historical rights in the Basque country have been defeated. Late last night the Senate, Spain's Upper House, voted against the Basque amendment, thus reversing earlier approval given by the Senate's Constitutional Commission, which reviewed the draft before the full debate in the Upper House.

The amendment, which threatened to undermine the carefully agreed compromise in the constitution over the delicate issue of regional autonomy, had been introduced by the Basque Nationalist Party (PNV). After the defeat, the PNV reacted cautiously, saying that it would reserve its position. The fear remains that when the constitution comes to be put before the country in a referendum, probably next month, there will be a campaign in the Basque country urging either abstention or boycott.

With the constitution now over all the main hurdles, however, the government now seems to feel more sanguine, arguing that the Basque politicians have made their point

Pakistan trade talks

By Chris Sherwell

ISLAMABAD, Oct. 6.

PAKISTAN RESUMES talks on trade with India here tomorrow with the aim of reducing the imbalance that has grown up in India's favour since trade restarted in 1975 after a long break.

The three-day talks are the first for five months. In May, negotiations ended without agreement, and failure to make progress this time round will be widely interpreted as a setback to the improving relations between the two countries.

Private sector trade has proved to be the biggest problem, and has been virtually suspended since May. Indian businessmen want to compete in Pakistan's markets, but Pakistan fears the effect this will have on local entrepreneurs.

Trade figures show that Pakistan's exports to India have declined steeply since 1975 to a mere \$111,000 while India's exports to Pakistan have climbed to \$47.5m. Pakistan regards this as unacceptable.

The talks take place against a background of improving relations. The two countries recently decided to establish consulates in Karachi and Bombay

U.S. official in E. Berlin

By Leslie Colitt

EAST BERLIN, Oct. 6.

THE HIGHEST ranking U.S. official to visit East Germany since diplomatic relations were established four years ago began a two-day visit here today. Mrs Patricia Derian, assistant secretary of state for Humanitarian Affairs met Mr. Kurt Nier, East Germany's deputy Foreign Minister.

The creation of Mrs. Derian's post was part of President Carter's campaign of human rights and she spoke to Mr. Nier about the fulfilment of the 1975 Helsinki Declaration among other things. She also spoke to East German citizens and got their views.

East Germany is cooperating with West Germany to reunite families divided by the wall and is releasing 1,000 political prisoners a year to West Germany which pays an average of Dm 40,000 per freed prisoner. This past summer East Germany sentenced an outspoken critic of the government, the economist Herr Rudolf Bahro, to eight years in prison for treason and it has tightened its house arrest of the country's leading dissident Herr Robert Havemann.

Shah's commitment to expanding political freedom

TEHRAN, Oct. 6.

THE SHAH of Iran called today for an end to violence and anarchy, pledging that the expansion of political freedom would continue. In his first public speech since major demonstrations against him led to the imposition of a six-month period of martial law in major cities a month ago, the Shah said antigovernment unrest this year had caused considerable economic, financial and social damage to Iran. But despite the unrest, "the present atmosphere of freedom will continue and expand, and the entire people of Iran will proceed towards greater participation in all fields of life according to the real meaning of democracy," he said, reports Reuter.

Speaking at the annual opening of new sessions of the Majlis (Lower House) and Senate, the Shah said the right of Iran's 34m people to have different views on state affairs was accepted.

For the first time in public, the monarch acknowledged that corruption was among the causes of discontent that fuelled street protests against his regime. He called for prosecution and punishment of all people guilty of corruption, which has been one of the principal targets of the six-week-old government of Premier Jaafar Sharif-Emami.

"It is obvious that mistakes, extravagance, waste and misappropriations, which naturally caused dissatisfaction, had a very important role in creation and expansion of the crisis," the Shah said.

He said it was also clear "that intrigue behind closed doors and extensive plots, which were planned with special aims, were two more important factors in aggravating the situation."

For the first time, the Shah opened the annual parliamentary session with Empress Farah alone, without his brothers and sisters present. This was apparently part of recent efforts to keep lesser members of the royal family out of public affairs in response to public feeling.

AP adds: Exiled religious leader Ayatollah Khomeini, one of the symbols of Shiite Moslem Opposition to the Shah, arrived in Paris on Friday from Baghdad. Khomeini was taken away from the airport by friends to an unknown destination. They said he hoped to obtain permission from the authorities to remain temporarily in France.

10 wide-bodied jets for JAL

TOKYO, Oct. 6.

JAPAN AIR LINES (JAL) announced today it had ordered 10 wide-bodied jets, worth 100bn yen ($530m).

The order is for five DC-10s ... four Boeing 747 passenger ... and one Boeing 747 freighter.

Japan's TDA Domestic ... also announced it is sending a team to the United States and Western Europe.

Financial Times, published daily except Sundays and holidays. U.S. subscription ... second class postage paid at New York.

Trimmed-back Slater shows profit

BY MICHAEL BLANDEN

THE BANK of England has made a start on recovering the costs incurred when it took over the banking business of Slater Walker Ltd and certain assets of the Edward Bates group.

The first accounts published for Slater since the Bank took control in September last year show a profit of £97,685 during the 14-month period to the end of last February—brought into line with the Bank's own accounting date.

They also show that the efforts made to trim back the Slater operation ahead of the Bank acquisition have begun to pay off, and that the Bank has made progress in reducing the size of the business.

The Bank has made a payment to Slater Walker to satisfy its commitment of up to £40m to meet losses on loans and contingent liabilities. The effect of this has been to reduce the loans which the Bank has outstanding to Slater Walker and, on the other side, to provide an addition to the company's specific provisions against bad and doubtful debts.

As a result, the total balance sheet of the company has been cut from £93.7m at the end of 1976 to £41m.

The amount due to the Bank has been reduced from £54.2m to £9.5m, while total loans and advances outstanding have been brought down from £60.2m to £15.3m.

The drop in the company's loan book reflects some realisations of outstanding loans as well as amounts written off. The accounts show ha during he pas accounts show that during the past six months the company began to make a significant profit contribution.

In the eight months to the end of August last year, ahead of the Bank's acquisition, it reported a loss of £1.18m. During the six months to end-February it showed a profit of £1.28m.

The company, an authorised bank, was acquired by the Bank for a cash consideration of £3.5m as part of the support it had been providing to the Slater, Walker group. It was purchased from Slater, Walker Securities, which has since become Britannia Arrow (Holdings), in a reorganisation which ended the involvement of the Bank with the rest of the Slater group.

Disclosed

The Bank has disclosed in its own report and accounts that over the past four years it has set aside provisions shown at a total of £50.5m against potential losses on its involvement in the lifeboat rescue operation and in specific situations arising from the fringe bank collapses.

The Bank has also filed accounts for EBS Investments, formed to acquire and realise certain of the assets which previously belonged to the Edward Bates merchant banking group.

The acquisition was made as part of the reorganisation in which the Edward Bates banking business was taken over by a consortium and renamed Allied Arab Bank.

The accounts show interest and other income receivable of £2.88m for the period from August 31, 1977, to the end of February, with total assets held for realisation of £63.7m, including £56.7m of loans and advances.

Datsun car cuts worry dealers

BY KENNETH GOODING

MORE THAN 100 dealers have had their franchises for Japanese cars cancelled in recent months as a result of the restrictions on sales in the UK it was claimed last night.

The major importer, Datsun UK, has reduced its dealer network by 45 in order to maintain a supply of cars to the remaining 450.

Mr. Peter Fletcher, chairman of the Datsun Dealers Association, in open letters to the UK Department fo Trade and to the Japanese Ministry of International Trade and Industry (MITI) called for an end to all restrictions next year.

Datsun dealers fear now that further reductions in the network will be made. "This is of great concern because we have responsibility for over 18,000 employees and their families."

Dealers had invested more than £100m in their franchise operations, and 99 per cent of them had no other means of existence than the sale and servicing of Datsun cars.

"We made this investment only because Japan and the UK have binding international agreements for free trade, and we had confidence in Datsun UK and Nissan Motor Company (manufacturers of Datsun cars). We now feel that this confidence was abused, and we have been seriously let down," said Mr. Fletcher.

Apart from the loss of income because car sales have been artificially held back, the dealers face serious financial problems because of taxation technicalities.

Their stock levels are being run down rapidly so that they are liable to lose their tax relief on stocks. Not only would they have to pay heavy taxes for 1978, but for 1977 as well. "This is an extremely serious matter indeed, causing a very heavy financial burden," Mr. Fletcher said.

The Datsun dealers have called for an urgent meeting with Mr. Edmund Dell, Minister of Trade, before they leave to meet MITI and Nissan in Japan next week. "We need to resolve the uncertainty, and know where our futures lies."

Ferry group backs 'skyships'

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

EUROPEAN FERRIES, the highly successful cross-channel ferry operator, is going into the airship business, with a stake in a remarkable project to build flying-saucer shaped, inflatable airships.

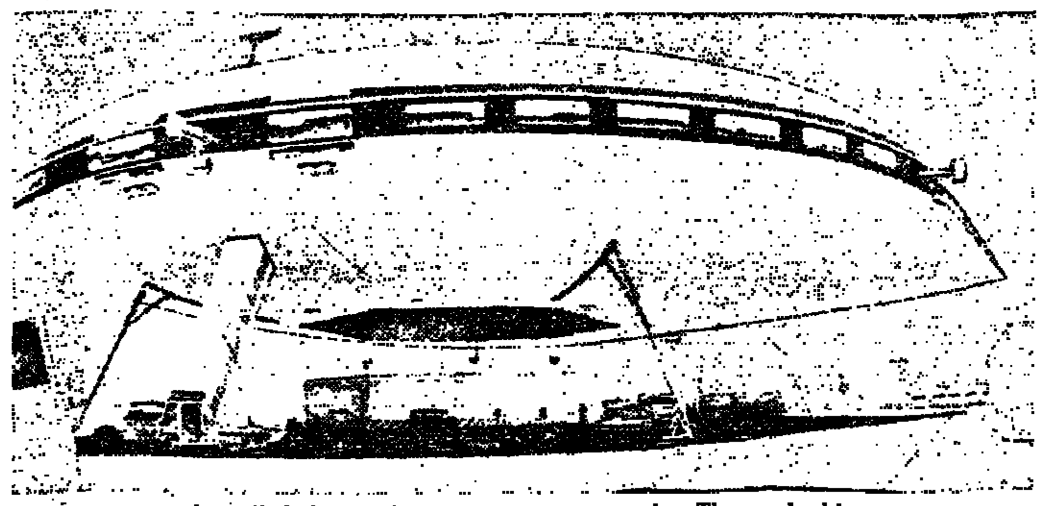
The company would not say yesterday how much it was putting into the Isle of Man-based Thermoskyships venture, but Mr. Malcolm Wren, the new company's chief executive, said it would be "a substantial part" of the £6m development costs involved.

The rest of the cash is being raised from institutional and private investors by stockbrokers Laing and Cruikshank.

Mr. Wren, who served for 24 years in the Royal Engineers and who is responsible for the design of the craft, said he was confident that the required sum would be forthcoming. The project would be viable by mid-1982, when it had completed its third airship.

The 45-metre diameter saucer-shaped skin is designed to carry non-inflammable helium gas. With horizontal and vertical propulsion by two gas turbine engines, its backers believe it breaks new ground in airship manoeuvrability and control.

It would be capable of carrying 60 passengers or a six-ton load at a speed of 90 knots over a range of about 200 miles, with a range of 800 miles at reduced payload.



An artist's impression of a passenger-carrying Thermoskyship

Mr. Keith Wickenden, chairman of European Ferries and an enthusiast of the airship, said: "Added to our conventional shipping fleet, we see Thermoskyships as an attack on hovercraft, hydrofoils, rail-connected traffic and the airline market. They also make a Channel tunnel obsolete even before anyone decides to build one."

European Ferries is not committed, however, to operating the skyship, which will retail at about £1.8m, roughly the same as the heavy-lift helicopter which is the airship's main competition for such business.

The helicopter market is put at about 200 units a year and Mr. Wren says that Thermoskyships aims for a 3 per cent share —or six skyships a year. He believes that a wide range of military and civil applications is possible, including work in the offshore energy industry.

Mr. Wren has been working unpaid on the project for four years and has had assistance from a number of companies, including Rolls-Royce and Plessey.

He said the popular image of airships, coloured by visions of the Hindenberg disintegrating in 1937, was quite erroneous.

"The first airship took its first paying passenger in 1910 and it was not until 1937, after 50m passenger miles, that a passenger was killed. In any case, those who have studied the Hindenberg case believe there must have been a bomb on board," he said.

Meanwhile, the first airship to be built in Britain for almost 50 years, will have its maiden flight from Cardington, Bedfordshire, later this month.

Built by Aerospace Developments to a more conventional design than the skyship, this 164-foot ship is for a Venezuelan operator.

Rivals end 'no odour' battle

By Maurice Samuelson

A POTENTIALLY pungent clash in the British and U.S. courts was averted yesterday by two companies who make rival products for foot hygiene.

The dispute broke out 14 months ago between Scholl, which marketed an "odour destroying cushion insole," and Combe, another U.S.-based company, which sells "odour eaters."

In London, the case would have come to court on Monday. However, Scholl announced yesterday that it had accepted Combe's proposal for a settlement. Scholl has agreed to drop proceedings against Combe's patents in Canada and West Germany.

At the same time, Scholl undertook not to reintroduce its "odour destroying cushion insole" into its shops in Britain. Instead it will launch a new product.

The battle was not only about names. Scholl says that its products are recognised by the yellow packing and that Combe's had an orange wrapper. The contestants called off the battle because, as one of them put it, "only the lawyers are winning."

Of the £2m-a-year British market for foot deodorants—insoles as well as sprays—Scholl claims about 35 per cent, and that the world market is worth more than £100m.

The dispute about anti-odour devices had been initiated by Combe, which accused Scholl of "passing off" products for which it claimed the patent.

Scholl vigorously counter-attacked. In the U.S., the matter would have come to court in about three years.

Associated Newspapers to buy Hydrofoil

BY LYNTON McLAIN

ASSOCIATED NEWSPAPERS is to buy a £6m Boeing Jetfoil hydrofoil in a surprise move into the flourishing high-speed cross-Channel passenger transport business.

The group has emerged as the main financial backer behind the Jetlink Ferries company formed in June to operate Boeing hydrofoils between Brighton and Dieppe. The service will start on April 27.

Associated Newspapers will also hold a substantial part of the equity in Jetlink and will lease the hydrofoil to the operating company.

Jetlink directors include Mr. John Coote, a former group managing director of Beaverbrook Newspapers, now part of Trafalgar House.

The hydrofoil company made a preliminary announcement about the service in July before operating contracts had been signed with the Brighton Marina company and the Dieppe local authority.

Contracts have been agreed and work started last week on passenger reception facilities at Brighton.

The Jetlink craft will carry 285 passengers in 100 minutes between Brighton and Dieppe. A second craft may be ordered in 1980. Associated Newspapers will not place the order until the performance of the first craft has been evaluated.

New machinery 'may aid clothing works'

BY RHYS DAVID, TEXTILES CORRESPONDENT

NEW MACHINERY for the clothing industry may help overcome financial weaknesses suggests a report published yesterday by the Bank of England.

The report is one of a small number commissioned by the Bank as part of its effort to become more involved in British industry's problems. It was drawn up on its behalf by Mr. Kit Koppel, a former deputy chairman of Courtaulds.

Mr. Koppel, who was asked to look at ways in which the industry's productive capacity could be strengthened, imports reduced, and exports improved, concluded that there was scope for substantial rationalisation within the industry.

This alone, however, would not be enough, he concluded, and he advocated that the industry should move more deeply into higher added value products, incorporating a greater degree of fashion and design.

The report cites management standards—particularly in financial management—as one of the main problems affecting small to medium-sized companies.

Many are said to be insufficiently aware of the range of financial services, sources of finance and of advice open to them.

Mr. Koppel points out that in the course of the inquiry about 150 companies were given advice both on financial and organisational matters and he urges that a way be found to continue this advisory function.

Following publication of the report, the Bank has held discussions with the industry on its findings and one suggestion is that the Clothing Industry Productivity Resources Agency, the newly-formed executive arm of the Clothing Economic Development Committee, could act as a problem-solver.

The Bank is also suggesting that the agency should establish a close working relationship with Equity Capital for Industry to make sure that advice on financial matters is readily available.

Mitsubishi cuts Colts in UK

By Kenneth Gooding

THE UK importer of Colt cars from Mitsubishi in Japan has altered plans for the launch of new models next year as a result of the restrictions being imposed on shipments.

The new Colt 1200 and 1400, known in Japan as the Mirage, was to have been introduced to Britain by its makers at the International Motor Show this month. Now it has been decided to put only the 1400 version on the market.

"This is the car which will make us the bigger profit, and in view of the restrictions it is the car we must back," a spokesman said yesterday.

Colt estimates that, free of restrictions, it could sell at least 5,000 of the new models next year. But how many will be allowed on to the UK market will depend on talks between representatives of the UK motor industry and their Japanese counterparts next month.

Super shift

The new Colt model was designed very much with Europe in mind. It is the first car from Mitsubishi with a transverse front-wheel-drive engine and rack-and-pinion steering.

The 1400 GLX to be sold in the UK has a new gearing system—call Super-Shift, which Colt claims is unique to passenger cars. It enables the driver to select either best performance or economy on any journey.

Colt has set itself a target of 9,200 cars registered in the UK this year, compared with 6,300 in 1977. By the end of August its sales had reached 8,300, and so its dealers are in for a quiet final quarter.

The company is still hoping to be able to start importing Mitsubishi truckh into Britain. Plans for their introduction in 1978 were dropped because of the restrictions on shipments.

Hitachi puts computers in car radios

By John Lloyd

HITACHI, the Japanese multi-national electronics company, has launched a "computerised" car radio-cassette player in a bid to increase its share of the UK in-car entertainment market, now worth an estiamted £66m annually.

The Hitachi CSK 501 uses a micro-computer to remember the waveband of six pre-selected stations, and displays the frequency of each on a digital read-out. Its recommended retail price is £269.

Hitachi believes that it has a lead of several months over the other companies developing digital radio-cassette equipment. The main competitors are Philips, the West German company Blaupunkt and the Japanese National Panasonic (Matsushita).

Most late deliveries 'due to inefficiency'

BY JASON CRISP

THE BIGGEST single reason for a company's bad delivery record is generally its own internal inefficiency, according to the Institution of Production Engineers, which has carried out a detailed analysis of 200 industrial companies.

This showed that nearly 40 per cent of companies with late deliveries running at more than 15 per cent gave "estimating or planning" as the main reason behind the delays. A further 35 per cent gave it as the second reason.

Typical problems in this category are too much optimism or pressure when quoting, orders being taken in excess of capacity, understating lead times or underestimating the research and development element.

In contrast, of those companies with a good delivery performance—between none and 5 per cent late deliveries—only 6 per cent gave estimating or planning as the main reason for delays.

For them, the most commonly cited reasons for missed delivery deadlines were problems with outside suppliers of raw materials—and sub-contractor delays.

The second most common reason given by companies with less than 5 per cent late delivery recorded was problems with the customer. This was given as the first reason by 24 per cent and as the second by 29 per cent. These problems arose when the customer's specifications were delayed, the order was placed late or modifications were made at the customer's request.

The companies questioned represent a wide spectrum of industry and ranged in size from the small to the large.

Of those in the middle range of delivery records—more than 5 per cent but less than 15 per cent late deliveries—a less clear pattern emerges. A quarter gave the main reason as external supplies while another 25 per cent attributed delays to "miscellaneous" factors. Twenty per cent blamed estimating or planning.

Labour problems did not feature particularly highly except in this middle bracket where 15 per cent give it as the main cause of delays and 20 per cent as the second main reason behind late deliveries.

Roche likely to build new vitamin plant in Ayrshire

BY SUE CAMERON

HOFFMANN-LA ROCHE, the Swiss-based pharmaceutical group, is expected to announce plans for building a £50m Vitamin C plant at Dalry, Ayrshire, in the next few days.

Hoffmann-La Roche already has a plant at Dalry producing vitamins and small batches of chemicals and there is plenty of room for expansion on the site. The group has looked at alternative sites for its projected Vitamin C plant in many parts of Europe, but the final decision now seems certain to favour Dalry.

The company, which produces drugs such a Valium, Librium and Mogadon, said yesterday that it was anxious to have further Vitamin C capacity on stream by the early 1980s because of "the strength of projected world demand and the continued run of successful new applications."

Roughly 90 per cent of Roche's present production at Dalry goes abroad and it is thought that Vitamin C from the new plant will also be aimed heavily at the export market.

Customs control deal for Manx Government

AN AGREEMENT FOR the Manx Government to take over the customs and excise services operated on the island by the UK Government is expected to be signed soon.

At present all customs and excise duties and VAT are collected by HM Customs and Excise under the Common Purse agreement.

The new agreement probably will not result in any big changes. The Manx Government will retain or renegotiate the Common Purse agreement but the move is a significant one towards the Manx Government being able to fix its own levels of duty and VAT.

The Tynwald select committee on the Common Purse agreement, which reported earlier this year, recommended an independent Manx customs service as well as a change of name for the agreement.

Belfast Cables factory shuts

BY OUR BELFAST CORRESPONDENT

BELFAST CABLES, a division of Reliance Cords and Cables—a BICC group company—will close its factory at Newtownabbey, near Belfast, with the loss of 200 jobs.

The company, which started making telephone cables in Belfast in 1959, said the requirements of the Post Office had fallen drastically and showed no prospect of improvement.

Excess capactiy in the industry and highly competitive selling prices had led to serious losses in the past few years. The decision to close was taken only after long and careful consideration.

Half of those affected are women. Talks are about to start with the workers about arrangements for the rundown.

Japanese group expands

By Robin Reeves, Welsh Correspondent

MATSUSHITA ELECTRIC, the Japanese consumer electronics group, is to expand the range of products it makes at its National Panasonic manufacturing off-shoot in Pentwyn, Cardiff.

Mr. Masaji Hino, executive vice-president of the parent company, announced yesterday the completion of negotiations for a Welsh Development Agency advance factory next door to its existing colour TV plant, to be used for producing National Panasonic music centres and Technics stereo radio tuners.

Pilot production in the new 50,000 sq ft factory unit will begin in the near future, with full production expected in the first half of next year. It is anticipated that the expansion will create 100 jobs initially, rising perhaps to 300 or more in three to four years.

£9,000 for locomotive

RHYL IN North Wales is to get back one of its 15-inch gauge live steam coal-fired 4-4-2 Atlantic "B" Class locomotives as a result of Mrs. Mayor's successful bid—on behalf of the town council—of £9,000 at Sotheby's, Belgravia, yesterday.

The locomotive is one of a set of six built in about 1920 by A Barnes and Co., of Rhyl, and regularly operated on the Marina Lake amusement park railway hauling up to 60 people in each train.

But the biggest London sale of the day was held by Sotheby's in the Royal Watercolour Society Galleries where scientific instruments, watches and clocks fetched a total of £174,733.

The highest price was £9,000 from de Havilland for a small walnut month longcase clock with the dial signed "John Knibb Oxon fecit" which may be dated about 1690.

A Dutch walnut marquetry longcase clock went to A. Allan, Brighton, at £5,400 and A and F Gordon gave £5,200 for a rare early 18th century German marquetry quarter-repeating longcase timepiece.

Bush Antiques bought a rare Boulle musical calendar bracket clock (John Ellicott) for £5,200 and two other longcase clocks each made £4,800.

Back in Belgravia, a rare Bing 'Spider' steam-driven carriage, a tin toy, was bought by W. Draller of Berlin while B. Guilliard of Stuttgart was successful at £2,500 for a model Marklin gauge '1' live steam spirit-fired 4-6-2, "The Great Bear" locomotive, No. 4021, retailed through Gamage and in its original wood box.

Old Masters at Christie's fetched £81,195 with two private buyers giving the highest prices of £3,000 for a Teniers and the same figure for a scene of Dutch shipping by van de Velde.

Silver sold through Phillips amounted to £24,767. A George II hot water jug fetched £1,050 and a canteen of Old English pattern flatware of one dozen place settings made £1,200.

SALEROOM

BY PAMELA JUDGE

HOME NEWS

Boom year ahead for graduates in job market

BY COLLEEN TOOMEY

NEXT YEAR should be a "boom year" for Britain's 80,000 university graduates, it was claimed yesterday. Against a national unemployment rate of 1½m. job openings are expected to rise by at least 10 per cent for graduates, making them the "employable elite" of Britain, according to Mr. Tim Cornford, group manager of Haymarket Publishing, which launched its Directory of Opportunties for Graduates yesterday.

The biggest demand comes from the engineering sector of industry. Of the 540 companies listed in the graduates' job guide, 206 are looking for electronic engineers, nearly 150 want mechanical engineers and 112 want production engineers.

Graduates' "scientific, technical or technological skills make them not only in high demand but virtually irreplaceable in many areas of the manufacturing industry," Mr. Cornford said.

At least 80 per cent of graduates will find jobs in industry or the Civil Service next year. About 20 per cent will continue their education through one of more than 3,000 postgraduate specialist and vocational courses while only about 2 or 3 per cent will fail to get work.

National and multinational companies have the biggest recruitment drives. International Computers, for instance, will be hiring 500 people next year, 100 more than this year, and most will be employed in technical fields.

Shell receives about 11,000 applications each year. Next year the company intends to hire only 100 graduates—about the same number as this year.

But smaller companies will also be looking for graduates next year. Apart from the 200 companies listed in the directory with more than 5,000 employees, there are more than 100 employing fewer than 500 people. Of these, 80 need more than 50 graduates.

The average starting salary for a graduate is £3,500 a year, though many of the bigger companies are now offering about £4,000. One of the highest rates for graduates is offered by the Metropolitan Police. Any recruit over the age of 22 is given a basic £5,000 a year from September 1 with extra bonuses in London including free accommodation, free public transport and with overtime.

Directory of Opportunities for Graduates '79 Employers.

Leading Tories launch onslaught

BY RUPERT CORNWELL

LEADING TORIES LAST night launched a co-ordinated onslaught on the Labour conference, which ended yesterday.

They left no doubt that the Conservatives will seek to make as much electoral capital as possible out of the drift to the Left of the National Executive.

Mr. Francis Pym, the shadow Leader of the Commons, said in a statement that with its antics, the conference had "mocked the despairing loyalties and reluctant votes" of millions of Labour supporters.

Outwardly, the party might be appealing and reassuring, but the week in Blackpool had performed "the essential task of letting the light fall on the shambles behind the facade," Mr. Pym said.

The rumbustious atmosphere of Labour's gathering is likely to contrast with the Tory conference which opens in Brighton on Tuesday. This will, if its managers have their way, be bland and sanitised — despite rumblings of serious dissent on the issue of capital punishment.

Rejected

The Government's pay policy in particular, and its economic policy in general, have been rejected by the alliance of unions and the Left. The executive elections, meanwhile, said Mr. Pym, had seen the success of three Left-wingers and the defeat of two moderates.

"The only Left-winger to fall — Mr. Mikardo — was ousted simply because he was not Left enough on the issue of automatic re-selection of MPs."

He predicted a fresh spate of attempts to unseat moderate Labour MPs, despite the compromise controversially adopted at Blackpool.

PHILIP RAWSTORNE ON THE LAST DAY OF THE BLACKPOOL CONFERENCE

Labour divisions 'an election danger'

THE LABOUR Conference ended at Blackpool yesterday with warnings that party divisions could endanger its chances of victory in the general election.

Mr. Ron Hayward, general secretary, appealing for unity in the run-up to the election campaign said: "We would be twice as strong if we had not got so many little caucus groups inside the party."

Calling on delegates to prepare for the election fight, he added: "We must remain united. No-one can defeat us except ourselves."

Miss Joan Lestor, the party chairman, also emphasised the need for a united campaign.

The conference had been right to argue openly over its policies, she said. "There has been no superficial layer of solidarity covering a vast chasm of differences." The movement now had to assert its essential unity, she said.

On both wings of the party, however, yesterday, some of the week's differences still echoed bitterly.

Right-wing and moderate members of the Campaign for a Labour Victory, said in a conference newsletter: "No Labour Party member leaving this conference should under-estimate the damage which it has done to our chances of winning the next election."

The group said that the dangers came not simply from the defeat of the Government's pay policy. Real damage had been done by the Left's domination of the new national executive committee which would be "as ready as ever to spite the Government."

Some executive members had already set their sights on the battles of Opposition, it claimed.

"No-one should believe that our new NEC or the bulk of resolutions passed this week are going to help Jim Callaghan win the next election.

"The antagonism between the NEC and the Cabinet is going to get worse, not better," it said.

The group called on party members to back the Government and speak up for its achievements. It also recalled Michael Foot's words to the Tribune rally: "You can't murder the general in the night and expect him to lead you into battle the following morning."

Left-wingers, in a rival message to the conference delegates, said most of the week's decisions had reflected rank and file feeling rather than that of "the semi-Tory leadership."

The conference had resisted intimidation, it said. Only "political treachery" had robbed it of a decision in favour of automatic reselection of Labour MPs.

The Left-wingers said that the conference showed its determination to follow the "true path of Socialism" in the election of Tribune members to the executive.

The deposing of Mr. Ian Mikardo, the veteran Left-winger should serve as a warning to any executive member who allowed himself to be used in future in resisting rank and file demands.

At the end, delegates overwhelmingly endorsed an executive statement calling on all members of the movement to campaign together for the return of a Labour Government with a clear Parliamentary majority and a mandate for carrying through the policies agreed at conference.

Labour leaders join arms in the traditional Auld Lang Syne

Terry Kirk

NEC to start talks on steel jobs cuts

BY IVOR OWEN

THE Labour Party's national executive committee is to initiate exploratory talks with the Government and the TUC to secure agreement on new measures to reduce steel industry redundancies.

This was announced on the final day of the Labour Party conference at Blackpool yesterday, during an emergency debate in which the Government's handling of the problems associated with plant closures was sharply criticised.

Mr. Alan Hadden, for the NEC, refused to accept a resolution which demanded full pay for all redundant steel workers until they were found acceptable alternative jobs with the same wages and conditions. "This is a little bit cloud nine," he said.

He promised that the talks with Mr. Eric Varley, Industry Secretary, and Mr. Albert Booth, Employment Secretary, would cover other proposals in the resolution, including a pledge of no further redundancies without prior consultation.

He sounded a warning note though, about the likelihood of securing agreement on one of its other main aims—the introduction of a work-sharing scheme with no loss of pay.

Mr. Roy Evans of the Iron and Steel Trades Confederation moved a resolution calling for the nationalisation of those steel companies still operating in the private sector.

He accused the Government of reneging on some of the positive proposals made in the Beswick report, such as the installation of an electric arc plant at Shelton, and criticised the role of some backbench Labour MPs in producing the Commons Select Committee report on the steel industry.

Conference agreed to remit the resolution to the NEC.

Contractors abroad 'need strong home market'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BRITISH CONTRACTORS have doubled the value of their overseas work since the start of the 1970s but their future success is threatened by domestic constraints, Mr. Frank Gostling, president of the National Federation of Building Trades Employers, warned yesterday.

Mr. Gostling, who was speaking at Warrington, Lancashire, said that if the UK was to stay among the top two or three nations engaged in construction work abroad it must have a strong and prosperous domestic market underpinned by a stable level of work. Without it the construction industry could not continue to generate the capital and the skills required.

State-control threat if Lucas Aerospace rejects plan

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A NEW government initiative to secure adoption of the "corporate plan" proposed by the shop stewards combine committee at Lucas Aerospace was proposed at the Labour Party conference yesterday by Mr. Gerald Kaufman, Minister of State for Industry.

He said that government stood ready to call a tripartite meeting representing the shop stewards committee, the management of the company and the Confederation of Shipbuilding and Engineering Unions. This could be done if the confederation considered that it would be helpful.

The corporate plan envisages the company switching out of manufacturing equipment and parts for military aircraft and into "socially useful commodities." The management has so far declined to adopt the proposals, and the confederation has said that any such switch must be done through them.

Conference overwhelmingly approved a resolution that Lucas Aerospace should be nationalised if it refuses to implement the plan. The motion gave full backing to the plan and argued that it would help prevent 2,000 redundancies at the plant.

It demanded that the government should enter into a planning agreement with the company and take into public ownership through the National Enterprise Board those parts of it where the corporate plan was not put into effect. In addition, resolution said the government should prevent the company producing arms for export.

Mr. Kaufman told delegates that the Government hoped to conclude a planning agreement with Lucas Aerospace but had no power of compulsion as the company was privately owned.

Nevertheless, Mr. Eric Varley, the Industry Secretary, was having talks with Lucas and hoping to persuade the company that a planning agreement would be good for Lucas as well as for its workers.

Another speaker, Mrs. Audrey Wise, MP for Coventry SW, urged the Government to bring pressure to bear for adoption of the corporate plan in its role as the biggest customer of Lucas. She asserted that the management of the company was "terrified" by the plan.

Conference also adopted an emergency resolution calling on the Government to nationalise Western Ship Repairers on Merseyside and to integrate it into the shipbuilding industry.

Slim defeat for vote against money system

BY ELINOR GOODMAN

A LAST-MINUTE attempt to get another vote against European monetary union narrowly failed yesterday at an unprecedented meeting of Labour's national executive committee.

That anti-Marketeers were able to muster enough support for such a meeting is a measure of the deep passions still aroused by Europe among members of the party's governing body, despite calls for some Cabinet Ministers to cool the whole debate on Europe.

The conference had already rejected moves towards economi[c] and monetary union as part of [a] wider motion on the EEC. Bu[t] anti-Marketeers on the com[-]mittee, led by Mrs. Barbar[a] Castle, wanted a vote on th[e] specific issue of the propose[d] European monetary system.

Earlier in the week she wo[n] the committee's support for [a] statement based on the assump[-]tion that the EEC Financ[e] Ministers had already agreed in principle proposals for a Euro[-]pean monetary system.

UK industry 'mismanages stock'

BY PAUL TAYLOR

BRITISH INDUSTRY was wasting the chance to finance new capital expenditure because of "stock mismanagement," said Mr. E. B. Mervyn Grubb in his inaugural speech as president of the Institute of Purchasing and Supply.

Mr. Grubb, chairman of the Guest, Keen and Nettlefolds wholesaling arm, GKN Distributors, told the institute's annual conference at Stratford upon Avon yesterday that industry should finance investment by releasing cash tied up in finished stocks and work in progress.

He described stocks held by companies as the "untapped mine of wealth" and suggested that management, Government and educationalists should turn their attention to efficient stock management through examining the responsibility for inventory and the cost of possession.

The UK's stock performance was poor compared with other major industrial nations, he said, underperforming by up to 40 or 44 per cent compared with Japan and West Germany.

In 1976 the total value of stocks in UK industry and commerce was over £40bn at 1976 prices. The UK has a "derisory" stock turnover and if the nation had matched West German performance in 1974 about £8.7bn would have been released for Britain's reinvestment programme.

Mr. Grubb said there were three main causes for the UK's poor stock performance: the "stop-start" syndrome caused by Government; unreliable delivery performance; and inventory mismanagement.

He said there was a failure to understand the need for training in stock management while in other countries like the U.S. the subject had received growing attention.

Scientific inventory control aimed to achieve the optimum balance between customer and company, but he warned that even this would fail unless management established a firm and publicised policy on stocks.

In addition to the wasted capital tied up in stock, financing stock storage was costly. Greater mechanisation of materials handling could save up to £90m a year in the UK.

The cash for investment "is ours for the taking if we manage to prise it from the clutches of stock hoarders and stock mismanagers," said Mr. Grubb.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisation of the sub-sections of the F.T.-Actuaries shares indices as at September 29, 1978, expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Sept. 29, 1978 (£m.)	% of all share index	Market capitalisation as at June 30, 1978 (£m.)	% of all share index	Market capitalisation as at March 31, 1978 (£m.)	% of all share index
1	CAPITAL GOODS GROUP (171)	9,924.5	16.43	8,581.7	15.36	8,182.9	15.09
2	Building Materials (27)	1,707.0	2.83	1,511.1	2.70	1,449.2	2.67
3	Contracting and Construction (28)	1,006.5	1.67	864.4	1.55	807.5	1.49
4	Electricals (14)	2,690.9	4.45	2,229.9	3.99	2,108.2	3.89
5	Engineering Contractors (14)	563.7	0.93	472.9	0.85	434.4	0.80
6	Mechanical Engineering (72)	2,783.0	4.61	2,416.5	4.32	2,274.6	4.19
8	Metals and Metal Forming (16)	1,173.4	1.94	1,086.9	1.95	1,109.0	2.05
11	CONSUMER GOODS (DURABLE) GROUP (53)	2,804.5	4.64	2,498.4	4.47	2,399.8	4.42
12	Lt. Electronics, Radio and TV (16)	1,613.1	2.67	1,368.0	2.45	1,340.9	2.47
13	Household Goods (12)	222.5	0.37	208.7	0.37	204.8	0.38
14	Motors and Distributors (25)	968.9	1.60	921.7	1.65	854.1	1.57
21	CONSUMER GOODS (NON-DURABLE) GROUP (172)	16,371.4	27.10	15,458.3	27.67	15,143.5	27.93
22	Breweries (14)	1,734.4	2.87	1,632.0	2.92	1,644.3	3.03
23	Wines and Spirits (6)	854.6	1.42	774.2	1.39	777.8	1.43
24	Entertainment and Catering (17)	1,315.8	2.18	1,239.2	2.22	1,220.8	2.25
25	Food Manufacturing (19)	2,601.4	4.31	2,451.8	4.39	2,338.9	4.32
26	Food Retailing (15)	1,087.2	1.80	946.8	1.69	887.7	1.64
32	Newspapers, Publishing (12)	243.7	0.40	569.7	1.02	494.8	0.91
33	Packaging and Paper (15)	955.4	1.58	867.6	1.55	826.2	1.52
34	Stores (40)	4,688.7	7.76	4,200.9	7.52	4,239.1	7.82
35	Textiles (25)	1,022.8	1.69	944.4	1.69	935.4	1.75
36	Tobacco (3)	1,765.2	2.92	1,738.0	3.11	1,691.1	3.12
37	Toys and Games (6)	102.2	0.17	93.7	0.17	87.4	0.16
41	OTHER GROUPS (99)	9,662.2	15.99	8,959.1	16.04	8,507.1	15.69
42	Chemicals (19)	3,211.0	5.31	3,182.0	5.70	2,928.1	5.40
43	Pharmaceutical Products (7)	2,081.8	3.45	1,842.2	3.30	1,782.0	3.29
44	Office Equipment (6)	637.5	1.05	604.2	1.08	588.6	1.09
45	Shipping (10)	587.0	0.97	568.9	1.02	588.5	1.08
46	Miscellaneous (57)	3,144.9	5.21	2,761.8	4.94	2,619.9	4.85
49	INDUSTRIAL GROUP (495)	38,762.6	64.16	35,497.5	63.54	34,233.3	63.13
51	Oils (5)	6,672.3	11.05	6,395.1	11.45	6,027.9	11.12
59	500 SHARE INDEX	45,434.9	75.21	41,892.6	74.99	40,261.2	74.25
61	FINANCIAL GROUP (100)	9,607.9	15.90	9,075.1	16.24	9,465.2	17.46
62	Banks (6)	2,571.1	4.26	2,454.2	4.39	2,569.5	4.74
63	Discount Houses (10)	126.5	0.21	125.6	0.23	120.1	0.22
64	Hire Purchase (5)	206.4	0.34	185.1	0.33	196.7	0.36
65	Insurance (Life) (10)	985.5	1.63	952.8	1.71	1,026.3	1.89
66	Insurance (Composite) (7)	2,328.3	3.85	2,296.2	4.11	2,459.5	4.54
67	Insurance (Brokers) (10)	807.1	1.34	767.9	1.37	772.0	1.42
68	Merchant Banks (14)	394.5	0.65	364.2	0.65	361.0	0.67
69	Property (31)	1,782.1	2.95	1,537.2	2.75	1,570.3	2.90
70	Miscellaneous (7)	406.8	0.67	391.9	0.70	389.8	0.72
71	Investment Trusts (50)	2,823.7	4.67	2,648.8	4.74	2,392.9	4.41
81	Mining Finance (4)	1,149.7	1.90	1,042.6	1.87	1,006.4	1.86
91	Overseas Traders (19)	1,399.8	2.32	1,206.2	2.16	1,097.2	2.02
99	ALL-SHARE INDEX (673)	60,415.0	100	55,865.5	100	54,222.9	100

LABOUR NEWS

Kodak deal may yield 13% rise

BY PHILIP BASSETT, LABOUR STAFF

SENIOR STAFF at Kodak have settled under Stage Four of the Government's pay policy for 5 per cent and productivity rises which management and unions expect to yield more than 13 per cent on earnings.

The deal is expected to be reflected in negotiations between the company and its 8,000 manual workers which resume on Monday.

One of the clauses in the agreement covering the 2,200 senior staff, members of the Association of Scientific, Technical and Managerial Staffs, is a re-opener clause to provide for further negotiations if either the general level of settlements in similar companies exceeds the 5 per cent limit or if any other Kodak settlement goes outside the guidelines.

The Department of Employment expects that apart from British Leyland there should be no renegotiation of settlements within 12 months, but union officials who negotiated the Kodak deal stressed that the re-opener clause was an essential part.

The settlement provides for a 5 per cent increase on salaries, increments and allowances.

Staff at D. C Thomson reject role for unions

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A BALLOT of employees at D. C. Thomson, one of the largest non-union companies in Britain, has rejected a proposal for union recognition.

A postal vote conducted by the Electoral Reform Society on behalf of the Dundee-based publishing company produced a vote of 1,723 employees against union representation in negotiation on wages and conditions and 646 in favour. About 400 people did not return their papers.

The company, which has resisted union membership among its workers since the General Strike, said it was pleased with the result.

Mr. David Emmerson, Scottish secretary of the National Graphical Association, said he was disappointed but not despondent. The investigation by the Advisory Conciliation and Arbitration Service into the claim for recognition by printing and journalist unions would continue, he said.

"Some D. C. Thomson workers had been afraid that their support for trade unions would be discovered by the company from the ballot forms and had removed serial numbers before returning them."

This had made it difficult for the Electoral Reform Society to determine support for unions in different company offices, Mr. Emmerson said.

● The National Union of Journalists will decide at an executive meeting in the next few weeks whether to withdraw from the Press Council. The union said yesterday that it had reached the end of the road in trying to initiate reforms in the council, which it helped to set up about 25 years ago.

TGWU no to 'phoney' settlements

By Nick Garnett, Labour Staff

COMPANIES WERE told yesterday that they will find it more difficult this year than last to negotiate "phoney" productivity deals with the Transport and General Workers Union as a way of paying increases above the strict wage guidelines.

Mr. John Miller, the union's national secretary for chemicals, said that this stance would be used by the union to try and force companies to break pay guidelines in a series of test cases in the next few months.

The policy, partly aimed at companies which negotiated Phase Three productivity deals whose validity has since been questioned, was likely to be applied at Monday's pay negotiations for manual workers in British Oxygen's gases division, Mr. Miller warned.

Earlier this week, he alleged that almost all productivity deals negotiated with big companies were devices to get around pay policy, and in no way met the Government's "self-financing" criteria.

Mr. Miller said yesterday that he and other Transport and General negotiators were "no longer prepared to start a whole new round of charades based on finding devious ways and means of getting around wage guidelines."

Vauxhall to begin productivity talks

FINANCIAL TIMES REPORTER

THE UNIONS and the Vauxhall management begin intensive talks next week on a productivity scheme which, it is hoped, will avert industrial disruption by 26,000 workers.

Mr. Geoffrey Moore, personnel director, has said higher output and productivity will be the main need over the next 12 months.

The company has told the unions that with the improved model range continuity of production is important and more labour may have to be recruited.

A strike by 25 supervisors at the Leyland national plant at Workington, Cumbria, is preventing the delivery of component parts and threatening to stop the bus assembly lines.

A bonus dispute caused t[he] walk-out and the strikers say th[at] their round-the-clock picket ov[er] the weekend could mean no wo[rk] for the 400 shop floor employe[es].

Triumph car production [at] Coventry and thousands of jo[bs] at the Leyland factory a[re] threatened from Monday [if] furnacemen in the heat treatm[ent] section start strike action.

Their action follows the d[is]missal of a colleague for bei[ng] absent for six months in a d[is]pute over changing his job p[a]tion.

The man, Mr. George Mers[...] said he stood to lose up to £[...] week paid for operating un[-]social hours, and there was [an] agreement to force him to acc[ept] a jobs switch.

Tax staff in computer talks

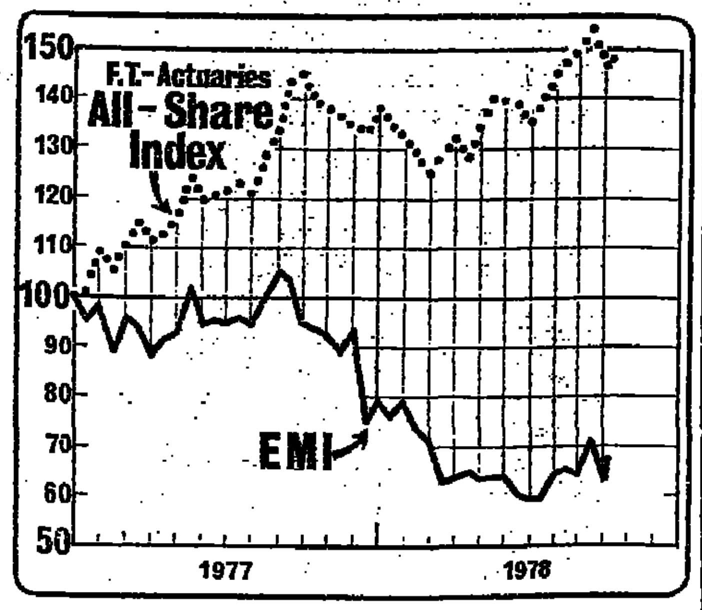
THE INLAND Revenue Staff Federation has called a special conference of delegates over a computer manning dispute.

The conference, to be held within 10 days, will decide the federation's response to Inland Revenue plans that would mean losing members involved in computer work to the rival Society of Civil and Public Servants.

The federation executive fe[els] it has gained some concessi[ons] on the issue and wants [its] members' backing to conti[nue] negotiating.

However, if the 150 bra[nch] delegates decide to spread [the] present policy of non co-op[er]ation in shifting work to co[m]puters, there could be seri[ous] trouble.

THE WEEK IN THE MARKETS



Ticking over

A NET GAIN in the Dow Jones Industrial Average of nearly 11 points by Thursday's close is not exactly inconsequential. In fact it is something of an achievement given the generally uninspiring news backcloth against which the market has been operating. Yet at the moment on Wall Street there is no sense that the market is going anywhere in the short term, rather it is ticking over waiting for something to bring the world into focus.

Monday's volume was a mere 18.7m shares, the lowest since July 3, the day before Independence Day. A Jewish holiday and a key baseball game between the New York Yankees and the Boston Red Sox was held responsible but one doubts whether the present listless mood would have sparked much heavier trading in the absence of these distractions.

NEW YORK

JOHN WYLES

In fact, Thursday's session was the tenth consecutive day of trading below a 30m share volume and for the moment the institutions have geared down their activities. Many investment managers appear to accept the technical view that the market is broadly robust and this could be the reason for the apparent deaf ear to some dispiriting news on the inflation front.

The Council on Wage and Price Stability, for example, produced a pessimistic report on Wednesday which confirmed the somewhat obvious fact that inflation this year "will show a clear acceleration" from the rate of the past two years. According to the report the annual rate of price increases has now risen from 6 per cent to more than 7 per cent which is the clearest indication that the President's existing anti-inflation programme is not working.

The Council's report contrasted oddly with some curious remarks made on Tuesday by Mr. William Miller, the Chairman of the Federal Reserve Board. In a speech delivered in New York Mr. Miller revealed that he had not changed his mind since the end of July, when he first issued a prediction that interest rates might peak by the end of the year. Why the Chairman of the U.S. Central Bank should want to stick his neck out on the subject when serried ranks of blue chip economists are unable to see any ceiling on interest rates is unclear until it is remembered that President Carter complained to the world last week that U.S. interest rates were too high.

In trying to reassure the White House Mr. Miller may well tarnish his reputation which is no longer as lustrous as it once was. In the same speech Mr. Miller refused to accept that the underlying inflation rate was 7 to 8 per cent and we do not know whether the publication of figures yesterday showing a 10.8 per cent annual rate of increase in September in producer prices is making him wish he had talked of something else. The President thought the figures startling enough to mention them in a letter sent to every Congressman urging support for his veto of the "wasteful" Public Works Bill.

With this confusion in the outside world, the stock market has preferred to focus on such matters as mergers and acquisitions. Despite this year's rally a host of strong enterprises with excellent earnings prospects are relatively undervalued in the market and so the prize of cheap assets is triggering increasingly fervent merger activity. Cox Broadcasting put on $9¼ to rise to $59 yesterday on the news of its attempted acquisition by General Electric for a cash deal worth a minimum of $65 a share. Olin Corporation is another stock in demand because of an agreement to merge with Celanese for the equivalent of $30 a share. One of the most interesting speculative purchases being made at the moment is Kennecott Copper Corporation which is facing a renewed proxy battle with Curtiss-Wright following a court order.

	Close	Change
Monday	871.36	+5.54
Tuesday	867.90	−3 46
Wednesday	873.96	+6.06
Thursday	876.47	+2.51
Friday	880.02	+3.55

Blackpool calls the tune

LONDON

ONLOOKER

Events at the Labour Party Conference have dominated the headlines this week—and left the stock market unimpressed. Prices have bobbed up and down in the wake of the waves from Blackpool, but there has been very little real activity. At the close last night, the FT 30-Share Index was just a fraction higher over the week. Gilts, too, went nowhere.

Scanner losses

Following the earlier warnings from EMI, Thursday's news that pre-tax profits were down from £64.7m to £26m was no worse than the pessimists had expected. Just as important, the company felt confident enough about prospects for the current year to maintain gross dividends at 14p a share.

Later on Thursday came the news of a possible scanner settlement over royalties that could mean a retrospective payment and a future income flow with a U.S. competitor Ohio-Nuclear (which is currently under offer from Johnson and Johnson). By the end of the day the shares had risen 13½p to 158p.

The scanner royalty news is a bull point since EMI's medical electronics division (which is dominated by scanner sales) incurred losses totalling £13.2m in the year compared with profits of £14.7m the year before. This shortfall was largely due to the collapse of the U.S. market for scanners resulting from cut-backs in government spending. Royalty income would not totally offset the losses but it could reduce the impact somewhat.

Profits from music operations were halved to £16.8m. Heavy start-up costs on a French distribution centre and a factory in Holland are, to a large extent, responsible for the decline.

Elsewhere within the group the picture was rosier with the leisure side well ahead and Thames Television contributing a little more than last year.

Bejam goes cold

Bejam's growth image has taken a knock following the 8 per cent drop in 1977-78 profits. But the market has not given up on Bejam yet, and forecasts of a 35 per cent rise to £6m pre-tax this year are fairly common.

Bejam warned investors at the interim stage that it could not match the exceptional profits of 1976-77, so there was no real disappointment this week. In fact the company's optimism for the current year combined with a preference scrip issue helped push the shares 6p higher to 65p on the news.

Profits in 1976-77 had bounded ahead due to the summer drought which hit vegetable crops. Frozen foods were in demand and Bejam enjoyed both a good rise in volume and a sharp increase in selling prices. Profits jumped by 77 per cent to £4.8m.

For the year under review the picture was very different. Volume was only 1 per cent up from existing stores and prices crept ahead by only 5 per cent, leaving some decline in margins.

However vegetable sales are rising—turnover is up 20 per cent so far—and freezer sales are recovering. New stores are also being opened at a faster rate. The outlook may be better but analysts find it hard to justify buying the shares on a fully taxed prospective p/e of 12¼.

Dollar Land settles

Hugh Brackett, chairman of Dollar Land Holdings, and his board have put their directorships on the line over the proposals hammered out with the Atlas group for settlement of their ten year old legal battle. On October 27 shareholders of this unhappy company, locked in by share suspension since 1968, can vote for acceptance of the proposals, or start looking for a new board of directors. It is no real choice for the board, advised by Samuel Montagu, proposes a single U.S.$900,000 (£453,000) paper transfer in full settlement of Atlas's £2m legal claims leaving Dollar Land as a clear, near cash shell company worth 84p a share.

The real choice facing shareholders will come later. That is whether to press ahead with a re-quotation of the shares, or simply to await a suitable take-over offer. On its own, it is hard to see what the company can achieve without a fairly dramatic injection of new trading interests. It is far more likely that both board and shareholders would prefer to sit back and sift through the offers that its post-litigation form—with sizeable American tax losses, UK cash, a single Canadian property, and a U.S. subsidiary—are bound to attract.

Sime Darby change

The Sime Darby Board's decision to remove Turquand, Youngs and Co., as the group auditors is surrounded in mystery. The official reason is that Turquand is not as diversified as the mooted replacement, Price Waterhouse, in terms of its international coverage, particularly in North America and West Asia. But Turquand says that this is just an excuse and the real reason must lie elsewhere. Turquand itself does not know the reason or else is not saying.

Outside speculation centres on the internal politics of Sime Darby which has seen two Board reshuffles since Mr. Pinder, a former chairman, was found guilty of misuse of company funds three years ago.

Turquand will circularise shareholders, appealing to them to override the Board at the AGM on November 17. But Sime showed earlier this year that it can resist pressure when it refused a demand by the Kuala Lumpur stock exchange to reveal the purpose of £110m of new bank loans. Turquand can expect the same response.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	503.0	+ 2.4	535.5	433.4	Pay compromise hopes
Amal. Distilled Prods.	32	+ 6	46	26	Revived speculative demand
Anglo American Corp.	376	+36	378	246	American buying
Associated Fisheries	50	+ 8	71	39	Revived speculative demand
Avon Rubber	193	−15	226	174	Talk of line of shares on offer
Bambergers	79	− 9	91	44	Intl. Timber bid terms disappoint
Bambers Stores	159	+21	159	31½	Speculative demand
EMI	160	+17	190	130	U.S. scanner licensing deal
Farnell Electronics	420	+25	430	186	Interim results due Tuesday
FNFC	8	+ 3¾	8¼	1¾	Renewed speculative interest
Higgs & Hill	78	− 6	93	72	Disappointing first-half profits
ICL	467	+35	480	206	Press comment/inv. demand
News Intl.	265	+20	283	228	Interim results please
Northgate Expln.	435	+70	465	245	Uranium expln. hopes
Rustenburg Plat.	107	+18	108	70	Firm platinum/good results
Wolstenholme Bronze	265	+25	265	162	Good int. results & scrip issue

U.K. INDICES

Average week to	Sept. 6	Sept. 29	Sept. 22
FINANCIAL TIMES			
Govt. Secs.	69.87	70.08	70.64
Fixed Interest	71.73	71.94	72.22
Indust. Ord.	504.7	506.3	525.9
Gold Mines	170.0	174.0	181.4
Dealings mkd.	4,723	5,128	5,205
FT ACTUARIES			
Capital Gds.	244.68	245.94	254.39
Consumer (Durable)	215.53	215.13	222.2
Cons. (Non-Durable)	215.73	216.05	222.51
Ind. Group	229.36	229.70	236.58
500-Share	252.83	252.89	259.95
Financial Gp.	164.87	166.44	174.13
All-Share	230.03	230.60	237.59
Red. Debs.	57.71	57.61	57.55

YOUR SAVINGS AND INVESTMENTS 1

Limiting the benefits

INSURANCE

JOHN PHILIP

ONE BROAD division of insurances is into policies of indemnity and policies of benefit. In the former category come the whole range of material damage policies—fire, crime, money contracts, business interruption policies, home insurances and motor policies. In making a claim under such a policy the policyholder has to show that an insured misfortune has occurred and that he has suffered or will suffer loss to the amount claimed. Under a policy of indemnity the policyholder is not, in legal theory, allowed to make a profit from his loss, though in practice it may be impossible for insurers to achieve 100 per cent accuracy.

By contrast under benefit policies, such as life assurances and disablement contracts, the claimant normally has to prove only the happening of the event insured against—the death of the life insured, the fact of disablement by accident or injury—and insurers then have to pay the agreed sum. It does not matter in the case of, say, life assurance that the sum is extravagant, and out of all proportion to the true measure of the financial loss sustained.

This, however, is also a matter of theory, rather than practice. In practice, when providing disablement cover under permanent health contracts, insurers do their best to ensure that the policyholder is not better off by claiming on his insurance and staying away from work.

Insurers attempt to achieve this by use of special clauses in PHI policies which may appear variously as exclusions, conditions or limitations of benefits. Whatever policy you pick up, you will find that insurers put in some financial restrictions which in practice put the PHI contract somewhere about half way between true indemnity and true benefit contracts.

While in theory the would-be PHI policyholder can look for £100 or £200 a week, or whatever cover his pocket can afford, insurers aim to limit their actual payments to no more than three quarters (and, exceptionally, only two thirds) of the policyholder's average weekly income for the period prior to disablement. This being so there is absolutely no point in paying premium for cover in excess of what insurers will pay by way of benefit. Moreover there is no point in going to two or three insurers, in an attempt to get 100 per cent or even more cover, because all insurers write into their financial limitations that the total amount payable under all disablement insurances shall not exceed the 75 per cent rule. This kind of clause is wide enough to include in the calculation benefit payable under annually renewable, non-PHI contracts.

A number of companies back up such limitations with a further condition positively requiring the policyholders to notify the purchase of any other disablement insurance, primarily to ensure that a proper level of payment is made when a claim is lodged and a suitable contribution is made by all the other insurers concerned.

Looking deeper into the financial limitations one discovers a wide range of variations. Some insurers specify that state benefits under the NHI scheme are to be taken into account either wholly or in part; some insurers require the value of any private sector employment disablement pension to be included. Such clauses can substantially diminish the 75 per cent of income prior to disablement that is paid.

Normally PHI benefits are payable only while the policyholder continues permanently to reside within certain predetermined geographical areas —insurers call these "free limits." One might expect that all insurers would include the whole of the British Isles, and —in these European-conscious days — the whole of Western Europe or the Common Market countries within these free limits; but in fact there is no agreement over the designation of what is best called home territory. Some insurers specify "British Isles"; other "United Kingdom"; others list the offshore islands in addition to the UK; some of the definitions do not include the Republic of Ireland.

Some insurers are prepared to accept a degree of temporary residence, three or six months, say, outside the free limits, while others reserve the right to cancel or amend terms if the policyholder travels or resides outside the free limits for more than 12 months. Between these two extremes different insurers have varying rules, for example, as to the duration of payment they will make to a policyholder living outside the free limits.

Occupation, important in the rating of annually renewable contracts, is much less important to PHI insurance because of the substantial waiting period usually arranged under such contracts. Occupation principally affects the accident disablement risk, and PHI insurers reckon occupation be of little rating importance, if there is a three month or longer excess. Nevertheless, almost all policies bear a condition which gives insurers the right to rescind the contract on change of occupation, but offers the policyholder the opportunity of reinstating cover on terms to be agreed.

Offsetting a squat

IF YOU'RE planning a spot of skiing this winter, don't slip up on insurance cover.

We realise, of course, that you'll guard against breaking a leg the first day.

We appreciate that you probably won't risk any continental cuisine without adequate protection.

But don't, whatever you do, forget about the squatters on your return. A successful holiday could easily end in gloom with your once happy family barred from home.

However, help is now at hand from the motoring moguls of the Automobile Association.

Since the beginning of the year the AA's popular five-star insurance policy has included protection against "occupation of your house by squatters."

Five-star insurance is a complicated package, but essentially it comes in three parts: Vehicle, Touring and Personal security.

The relevant option is personal security which, for a premium of £3.70 gives you, among other things, cover for 31 days against loss of luggage, sickness, cancellation or curtailment of your holiday, hijacking and, of course, the prospect of unwelcome guests at home.

Protection in this last instance is limited to a total of £1,250 per occupant. (The legal kind, of course!)

For this you will be put up at an hotel or in other accommodation for up to 25 weeks, at a cost of up to £25 per week.

The AA will further pay £500 per household towards the cost of the physical damage which the less friendly type of squatter is unhappily liable to cause.

Finally, assuming you're anxious to repossess, "reasonable" legal fees incurred in ending the squat will be met. The AA does not mention a figure, but effectively it will pay for the services of a solicitor plus the expense of bringing the case to court, as long as your total claim does not exceed the individual limit.

One important condition is that the cover only extends to your "primary residence." And if you are lucky enough to have a second home nearby, the AA will probably insist that you live there for the duration.

One claim has already been made against squatters but the AA unfortunately refuses to give further details.

Meanwhile, most insurance companies offer standard cover against "malacious damage"

Investing in a girl's best friend

DIAMONDS MAY be forever, but not the diamonds into which Richmond Life is to put the holders of its brand new diamond bond. On the contrary: even in the early days, most of the diamonds held by the fund are likely to be bought and sold within a matter of months. Now, if you like the notion of investing in diamonds through a fund managed by experts—and there's a lot to recommend it—chances are it's the idea of diamonds as a store of value, a hedge against inflation and fluctuating currencies, that attracts you. Fair enough: but if you choose this way of doing it you ought to realise that it's the managers' skill at dealing, as much as the underlying appreciation of the assets, that is going to determine the performance of your investment.

Or maybe more: for buying and selling diamonds is not a cheap business. True, the new bond's managers have reached an agreement with their brokers, that commission on deals other than the first will be very modest indeed; but there's still the spread between buying and selling price (5-7 per cent, on the sort of diamonds into which this fund's money is to be put) to take into account. After allowing for the annual management charges (3 per cent, before taking into account the audit costs, insurance of stones in transit and various other bits and bobs), it looks as though the stones themselves will have to appreciate by at least 20 per cent per annum if you are to see a profit on your investment.

Well, that isn't impossible—at least, it isn't impossible if you're prepared to sit back and wait for the three to five years that Richmond Life itself recommends as the minimum period of investment in this bond. But it's certainly not a vehicle to put all your savings into: and in fact it's not a vehicle for the widow and orphan at all.

However, if you were thinking of putting 10 or 15 per cent of your portfolio into gems anyway, and you don't have either the expertise or the connections to do it with confidence yourself, you ought to do better out of the Richmond Diamond Bond than you would out of a buying trip down Hatton Garden. This is for two reasons. In the first place the bond's managers, Diamexpansion, buy further back down the line of production than you could yourself, so that the element of mark up in the price won't be as great. In the second place Diamexpansion itself ought to know what it is doing; and Richmond is employing an independent expert, Ian Norrington, to ensure that it does. Richmond, incidentally, is an Isle of Man-based life assurance company, owner of the Surinvest trust group.

Splendid simplicity

MR. STEWART JOHNSON is the sub-postmaster at Starbeck, near Harrogate (above), and a very busy man. Not so busy, however, that he hasn't the time to come up with the occasional bright idea. The latest of them is well worth sharing.

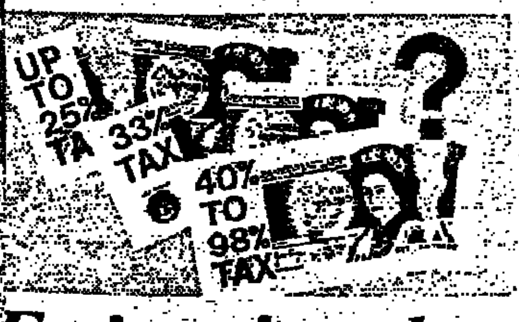
Mr. Johnson has noticed that some of the mothers who come in to get their child benefit (now £2.30 per child per week, tax free, and going up to £3 in mid-November) at his Post Office counter have been letting the money accumulate, week by week, with a view to spending it on something specific—and he's been suggesting to them that they should, instead, switch it into an ordinary account at the National Savings Bank. The advantages are two-fold. In the first place the money earns interest (5 per cent per annum, and the first £70 is free of tax); and in the second, up to £50 of it can be drawn out at any Post Office in the land (you can't draw more than two week's worth of child benefit from any Post Office other than that at which you are registered).

Child benefit (which goes up again to £4 per child per week next April) is obviously a particularly attractive form of income to any family paying higher rate tax; but it's easy to see why anyone who didn't actually need the money would just let it accumulate. However, transferring it to an NSB ordinary account for the sake of the tax free interest makes a lot more sense—particularly for high taxpayers, for whom this is in any case a very attractive investment. Mr. Johnson's customers aren't necessarily higher-rate taxpayers, but it's still an idea of splendid simplicity.

هكذا من الأصل

YOUR SAVINGS AND INVESTMENTS 2

Many retired readers are evidently in something of a quandary over how best and most usefully to employ their capital. This page has been put together for them by **Adrienne Gleeson.**



Estimating the taxman's take

IF YOU have reached the age of retirement, and have capital which you would like to employ in boosting your income and/or providing you with an emergency reserve, there are two matters, too often overlooked, which you should bear in mind. The first is tax, and the second is inflation. Here we show you how to find out what your top rate of tax ought to be: not until you know that can you make sensible decisions on investing your money. Over on the right we discuss the impact of inflation on your income and your capital, and the steps that you can take to minimise it.

The tables alongside show how much you have to pay in tax at various levels of income assuming, first, that you (or your partner) are aged over 65, second that most of that income comes from either wages or pensions, and third, that you have no reliefs other than age allowance (for example, relief for mortgage interest or life assurance premiums—neither of which are likely at your age. If, however, you have dependent relatives, employ a housekeeper, require the services of a son or daughter, or are registered blind, you may qualify for additional reliefs—check with an accountant, your solicitor, or your local tax office).

Having studied the tables you might be forgiven for thinking that you're not likely to end up paying higher rate tax on anything but a small slice of income—unless, of course, you've just retired on two-thirds of final salary from the chairmanship of a nationalised industry or a senior executive position with an American bank. The small slice of income on which you will certainly have to pay higher rate tax is the slice between £3,950 and £4,422.50, if you're single, and £4,000 and £4,810, if you're married. This is the level at which the cutback in the age allowance (the higher level of tax relief for those aged over 65) by £2 for every £3 of additional income, pushes up your effective tax rate to 55 per cent.

If, however, a large slice of your income comes, not from present or deferred salary (ie your pension), but from your investments, then you're going to find yourself paying the investment income surcharge as well. As soon as income from your investments tops £2,500 per annum, you'll have to add 10 per cent to whatever your normal tax rate is at that point. As soon as it tops £3,000 you'll have to add 15 per cent.

So if, apart from the State pension, all your income comes from your investments, you're going to end up paying tax at 70 per cent on that slice between £3,950 and £4,422.50 (if you're single), and at 48 per cent even when you've emerged from the "shadow" caused by withdrawal of the age allowance. For someone living on what is, these days, a relatively modest income, tax of this order is a serious problem. It's certainly a problem you should identify, so you can do something about it.

In retirement: what your tax rate ought to be

Single person aged 65+: Annual income £	Rate of tax %	Total income (gross) £	Married couple, either partner of which is aged 65+: Annual income £	Rate of tax %	Total income (gross) £
First 1,300	Nil	1,300	First 2,075	Nil	2,075
Next 750	25	2,050	Next 750	25	2,825
Next 1,950	33	3,950	Next 1,175	33	4,000
Next 472.50	55*	4,422.50	Next 810	55*	4,810
Next 4,827.50	33	9,250	Next 5,265	33	10,075
Next 1,000	40	10,250	Next 1,000	40	11,075
Next 1,000	45	11,250	Next 1,000	45	12,075
Next 1,000	50	12,250	Next 1,000	50	13,075
Next 1,500	55	13,730	Next 1,500	55	14,575
Next 1,500	60	15,250	Next 1,500	60	16,075
Next 2,000	65	17,250	Next 2,000	65	18,075
Next 2,500	70	19,750	Next 2,500	70	20,575
Next 5,500	75	25,250	Next 55,00	75	26,075
Remainder	83		Remainder	83	

*Because of reduction in age allowance—see text.

Bumping up income

IF YOU are paying tax on your top slice of income at anything less than basic rate (33 per cent), what you want is the sort of investment that will pay you a very high income, and will pay it before the deduction of tax. That rules out the building society. It also rules out gilt-edged stocks unless you buy them through the National Savings Stock Register (enquire at the Post Office for a leaflet and forms).

It is possible to obtain a very high level of income from gilt-edged stocks: over 12.5 per cent; but to do so you will have to buy long-dated stocks (more than 13 years to maturity); and if you do that you will have to accept that the price is likely to go up and down in a most unnerving fashion. If you don't have all that much in the way of capital you would do better to accept a little less income and buy something due to mature much earlier: that way if you do have to sell to raise money in the meantime, there's more of a chance that you'll at least get your money back.

Your worst problem (unless you can look forward to a pension, or an increase in the capital you have available for investment in a year or so) is going to be rising prices. You must provide for some increase in your income (see right). It's probably sensible for you to split your capital three ways. Put one third into the National Savings Bank Investment Account, so that you can get at it reasonably easily (withdrawal at one month's notice). Put another third into short-to-medium dated gilts, bought through the National Savings Stock Register. And put the rest into high yielding unit trusts (not single equities — too risky). If you're over 70, put the middle third into an annuity instead — you'll lose your capital, but get a very much higher income.

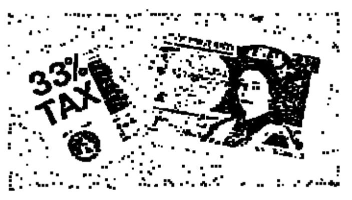
The two-way stretch

IF YOU find that you're paying higher rate tax on quite a modest level of income—and it's quite possible if most of that income comes from investments (see above)—don't try to solve the problem by bumping up your income. It will probably involve you in unnecessary risk, and the greatest beneficiary will be the Inland Revenue. Tackle it from the other end instead: try to cut back on your liability to tax.

Consider whether you can't arrange to take part of that income in the shape of capital gain. Capital gains are liable to tax at only 30 per vent (yes, it's bad enough given that they probably don't even compensate for inflation, but it's better than 48 per cent). If your gains amount to less than £1,000 in a tax year and you are not liable for any tax; and if they're between £1,000 and £5,000 you'll pay at only 15 per cent.

However, it is possible to secure capital gains which are completely free of any liability to tax at all, by buying National Savings Certificates (the Index-linked Retirement Issue first, then the 14th issue), and gilt-edged stock which is selling at less than its face value, which has at least a year to go to maturity, and which you intend to hold until it does mature. If you stagger your purchases carefully, you can arrange for a steady stream of tax-free income from the gains that you make on these investments. (If you buy gilts, remember to buy those with a low yield—a high yield will be more use to the Inland Revenue than you).

Also think hard about taking out an annuity. The capital repayment element is completely free of tax, so the effective yield to you is very high indeed. But don't forget that you, too, need to make some provision for rising income—don't tie up all you capital in obtaining a static return.



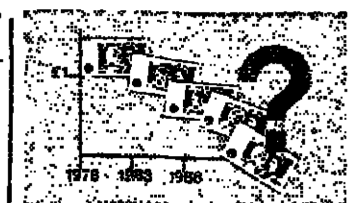
Cutting out tax

THE ALTERNATIVES open to the basic-rate taxpayer aren't so circumscribed as those available to his (or her) richer, or poorer, neighbour. If you pay tax at no more than 33 per cent on your top slice of income, you can afford to tackle the problem of stretching it from both ends.

It has to be said for a start, though, that if your income falls just short of the band at which the withdrawal of the age allowance comes into force, it certainly isn't worth your while taking any risks to push it up if all or most of the increase is going to be taxed at 55 per cent. If you find yourself in this position and have capital looking for a home, you'd do much better to spend it, first, on cutting back on your outgoings (insulating or double-glazing your home, for instance), and second, on the sort of investment that won't necessarily produce you much income now, but will in the future (investment trust shares, for example).

Unless you have an index-linked pension you, like everyone else, are going to be hit by the impact of inflation. So you don't want to put all your capital into an investment on which the income won't necessarily rise—like a building society. Probably you want some capital put by somewhere accessible, "just in case." Put that money into a building society. But you should at least consider putting the rest into something that will produce a rising income longer term.

If you're pretty desperate for extra income, and you own your own home, it's reasonable for you to consider the benefits of a home income policy. Effectively this means remortgaging your home and buying an annuity out of the proceeds. You will be able to claim tax relief on the interest that you pay.



Countering inflation

FOR REASONS which I do not entirely understand, most retired people with money to invest appear to be a great deal more worried about preserving the value of their capital against inflation, than about preserving the value of their income likewise. Time and again we get enquiries about the virtues of and the procedures for investing in krugerrands; and the letters on the Index-linked Retirement Issue of National Savings Certificates (the granny bonds) are even more prolific. Neither of those investments generates any income at all. Yet in the case of most retired people it must surely be more sensible to generate a little more income to live on now, than a little more capital to leave to the tender mercies of their heirs and the Inland Revenue.

Of course the two aims aren't necessarily mutually exclusive, though it has to be said that those who have gone for income in recent years have had to put up with either a sharp fall in the real value of their capital (if it's been put on deposit, say with a building society), or, at best, with very sharp gyrations in its face value (if it's been put into stocks or shares). Because our taxation system penalises those who try to preserve the real value of their capital by reinvesting income, the latter have more chance of seeing their investments come right over the long term. But in the short term life might well be pretty unnerving.

The possibility that your capital might decline in value if you use it to provide yourself with additional income is not, however, an argument for not using it at all. After all, apart from the £700 that you can put into the Index-linked Retirement Issue of National Savings Certificates, it s quite likely to decline in value, anyway. There's no certainty that an investment in gold, for instance (or an investment in any other "inflation hedge") will increase in value at all, never mind by enough to compensate for the effects of rising prices: and if you simply put it under the mattress you will undoubtedly have to watch your purchasing power being whittled away.

What you want to avoid, if it's at all possible, is being forced to use your capital to supplement your income. If you have to do it once you will almost inevitably have to do it again: and because the real value of money is falling you will have to use more of it the second and third times round. Better, if that is the option that faces you, to surrender a part of your capital completely in order to secure an income that will last you to the end of your days, by buying an annuity (not until you're over 70, though, if you can help it, since the rates become more attractive the older you are).

What you want to aim at is the investment of your capital in such a way that it will give you an income sufficient for your needs today, and an increase in that income later to compensate for the effects of price increases. Almost inevitably that means putting your money into shares. The other options are to buy property (but the initial yield is low), or to invest for capital growth with a view to reinvesting your increased capital for income later (but that's a risky business).

When choosing shares, remember the golden rule: the higher the risk, the higher the return. Since you want a high return without the risk that that implies, spread your money around. If you haven't enough money to buy a selection of individual shares (and I wouldn't even consider it if I had less than £20,000), then buy spread and professional management by buying unit and investment trusts. In fact, unless you happen to be an enthusiastic follower of the stock exchange, that's probably a policy to be followed anyway. And don't allow yourself to be panicked into a sale by ups and downs of the capital value —not providing your income continues to come through.

YOUR SAVINGS 3

Amateurs and property

BY OUR LEGAL STAFF

My father who is non-resident of UK has some £20,000 in an external account in Government securities bringing around 14 per cent in interest tax free.

I am resident of UK with no capital but a semi-detached house built on a double plot. The architect tells me I could build another house on this plot.

Before I go into the expense of getting planning permission, etc., would it be advisable to borrow from my father at an interest rate slightly above what he gets to build this house and repay him from the sale of one house? How do I go about getting money from the external account and would the interest in my father's hand from me be taxable?

Why not simply sell the plot (with, or even without, planning consent)?

You will need Bank of England consent to pay interest to your father, and to repay the loan, so you and he should consult your UK bankers.

You will have to deduct basic-rate tax from the interest, leaving your father to be assessed direct for any additional-rate tax on the excess over £1,700 (or £2,500 if he was born before April 6, 1914).

If you have a copy of the free booklet IR11, which you will have seen mentioned in our columns from time to time, you will find this point dealt with in paragraph 71(c) on page 23. If not, you should get one from your tax inspector and read it carefully before pursuing your ideas too far.

As you do not say where your father is resident, we cannot say whether the double taxation agreement between the UK and his country may relieve him of part (or all) of his potential UK tax liability on the loan interest.

The path of the amateur property developer is beset with pitfalls, which could convert a pretax profit into post-tax loss, so you will need skilled local professional guidance from the very outset—and indeed before you make a move.

To transfer a house

My wife and I have been advised, so as to avoid capital transfer tax, to transfer to our son a fraction of the value of our house, worth say £56,000, in which case we would each transfer 1/14th part. This would seem to lead to complications if the value of the house was judged to be more than this figure. Would it not be simpler for each of us to transfer each year "£2,000 of my share of the house?"

We agree with the advice you have received. The better course is to leave a margin for valuation differences, eg in the instance you cite, to transfer 1/16th rather than 1/14th and to review the fraction used in each year.

FINANCE AND THE FAMILY

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Service charges and premiums

My lease carries the following paragraphs regarding annual service charges: (1) "Where in the first year following the acquisition of the estate the lessor has granted leases of flats or rooms on the estate at a premium then subject to the payment of the costs of the acquisition of the estate and all expenses in connection therewith the lessor shall set all such premiums against the expenses incurred in the discharge of its obligations under the Sixth Schedule or otherwise contained in this lease. (The Sixth Schedule specifies the services to the estate by the lessor). (2) Where in any year apart from the said first year the lessor has granted leases at a premium the lessor may at its own discretion set the proceeds... against the expenses incurred under Schedule 6 thereby reducing the expenses attributable to the lessee." From the first moment the management debited all leaseholders with very high service charges, although there is a huge surplus from the sale of premia paid by myself and others. In view of para 1 above, do you think this is right?

If the premium which you (and others) paid falls within the first year defined in paragraph 1 cited by you, you would be entitled to require that all 6th Schedule charges (sc. Service Charges) for that year should be taken out of the total amount of premiums received to the extent that the premiums may be sufficient to discharge those service charges. You may also be entitled to require further service charges to be paid out of the first year's premium, but that is less certain.

An order for possession

I appreciate that in order to get rid of a thoroughly bad tenant I must give notice to quit and that if the court is satisfied that the conditions of the tenancy are not being kept it can give an order for possession. But could you tell me how long such a tenant could continue misbehaving? Must I refuse rent? Or do I have to refuse after getting judgment? What do you advise?

You must not only give notice to quit but also apply to the court for an order for possession under Case 3. In the meantime you can accept rent as the tenancy continues until the court makes an order determining it. You should not accept rent in respect of any period after the date set for giving up possession. The tenant can continue in occupation as long as the court does not direct him to give up possession, and there is no limit to such a period of occupation.

Dividends and tax

In finalising my income tax assessment for 1977-78, the inspector allowed an overall tax credit of 34 per cent on my income from dividends. In fact, a large proportion of the companies involved deducted tax at the rate of 35 per cent off the first dividend paid after April 5, 1977, and none have given any rebate subsequently. What can one do about this situation in which the tax credit being allowed is less, albeit by a relatively modest amount, than the actual tax paid by deduction?

You apparently missed the detailed explanation of this point (and allied points) which was published in the Financial Times on July 16 last year, the day after the Chancellor's announcement of his decision to fix the 1977-78 basic rate at 34 per cent, instead of 33 per cent as he had originally suggested (to supersede 35 per cent).

First, it is important to bear in mind that in fact no tax is actually deducted from dividends paid by UK companies; deduction of income tax from UK dividends ceased at the end of 1972-73. Since April 6, 1973, UK dividends have been treated in much the same way as UK building society interest: the actual amount paid to the investor (without deduction of income tax) is regrossed for tax purposes at whatever basic rate of income tax is ultimately fixed for the year in which the dividend is paid. The provisional tax credit figures printed on the dividend counterfoils are of no consequence if the basic rate is ultimately fixed higher or lower than expected, and for 1977-78 and 1978-79 it is simplest to ignore them completely; all dividends paid by UK companies during 1977-78 carry a tax credit of 17/33rds (equivalent to 34 per cent income tax) and all UK dividends paid during the current tax year carry a tax credit of 33/67ths (equivalent to 33 per cent income tax).

The parallel between UK dividends and UK building society interest is not perfect: as far as UK private investors are concerned, the great advantage of (a) the tax credit on UK dividends over (b) the notional tax on UK building society interest is that one (a) is repayable but the other (b) is not.

(Strictly speaking, tax credit on UK dividends should be described as "payable" to the shareholder, not "repayable" to him.)

Sun Alliance breaks with tradition

SUN ALLIANCE is no longer just talking tough to its policyholders about the need to pay an adequate premium in insuring the contents of their homes. It is now acting tough by putting up its premium rates, thereby bringing to an end an era in household insurance practice.

A trainee underwriter in the household department used to be taught that the basic rates upon which he built all other ratings were 1/6d. (7½p) per cent for buildings and 2/6d (12½p) per cent for contents—rates that were fixed as the tariff way back in the 1920s. When new-for-old policies were introduced a third tariff rate, 3/- (15p) per cent, was added. Now trainees will have to learn a new rating system, at least for house contents.

From November, Sun Alliance is increasing the rate for indemnity policies to 30p per cent, and on its new-for-old contracts to 35p per cent. As far as the latter are concerned this rate will apply to both new and existing contracts. But for existing indemnity policies (claims paid are based on the value of the items insured less depreciation), the rate will remain at the old level, at least for the time being.

Thus policyholders with new-for-old contracts will find that at the next renewal their premium will be increased on two counts: first, to allow for this new rate; and second, to allow for the increase in the sum insured because of inflation. The new move by Sun Alliance does not obviate the need for policyholders to review their sums insured (unless it's done for them by index-linking) to allow for changes in value. Sun Alliance has acted tough already by stating that it will impose an underinsurance clause, automatically, on any contract where the sum insured has not been reviewed for two years, unless there is a good reason for the absence of such a review.

The reasons for these actions by the company are not difficult to find. At the half-yearly stage it had lost £10.5m on underwriting, and most of this loss related to its UK account. Its efforts to get policyholders to increase sums insured to a realistic level has met with some success, but not enough. Policyholders are becoming more claims-conscious, and claims against theft are soaring. Incidentally, the rates quoted above are only the basic rates, applicable to the lowest risk areas. On high risk areas, such as Central London, Sun Alliance is putting up its rates by 50 per cent to 80p on new-for-old policies.

And according to Mr. Pa[...] Bartrum, the general manage[r] responsible for the home div[i]sion, even this latest step is n[ot] going to get the content[s] account back into profitabilit[y]. Further steps, including the i[n]troduction of an excess [to] eliminate small claims, a[re] being considered. Meanwhi[le] Sun Alliance is keeping up i[ts] tough talking, with a Press a[d]vertising campaign quoti[ng] actual cases of underinsuranc[e]. Of course it's possible that t[he] company will lose some bus[i]ness this way. But signs a[re] that many of its competito[rs] are going to follow its lead.

This is surely an area whe[re] the British Insurance Associ[a]tion could do more to educa[te] the public in the need for ad[e]quate insurance: evident[ly] there is still a need for explan[a]tions on what insurance [is] about.

Venture capital

WEALTHY INDIVIDUALS or institutions considering investing cash in a promising small business could be interested in a new publication called Venture Capital Report.* This monthly magazine has been started to provide exposure for all those who are looking for venture capital.

Any aspiring entrepreneurs, or existing entrepreneuers who want to expand their businesses, will if they apply be sent a detailed questionnaire by the editors of Venture Capital Report. This will normally be followed by an interview, and then by a dispassionate write-up in the magazine.

The founder of the magazine, Lucius Cary, is himself an entrepreneur who came back from Harvard Business School and started a small chain of restaurants in Bristol. His new publication will not charge any commission on financing deals that result from an article. But the subscription will be a stiff £95 a year, (possibly augmented with advertising).

The subscription will probably limit the readership to those who are seriously interested in hearing what new ideas and projects are in need of finance. Cary hopes that his publication will remove some of the legwork for institutions, which would often like to back promising small companies, but can't afford the management time to go and look for them. He hopes that the same will be true for companies looking for an opportunity to diversify, or individuals whose tax status makes an investment offering prospects of capital gain attractive.

* Venture Capital Report: £95 per annum from 2 The Mall, Clifton, Bristol, BS8 4DR.

YOUR SAVINGS AND INVESTMENTS 4

Fair treatment for the consumer

BROKERS

ERIC SHORT

A NEW deal for the consumer. This was one of the main reasons for controlling the insurance broking profession through self-regulation. Under the Insurance Brokers (Registration) Act, 1977, persons wishing to trade as insurance brokers had to agree to abide by a code of conduct relating to dealing with clients, and last week the code was published. By and large, the Registration Council responsible for administering the Act has given the consumer a reasonable deal, as far as one can through legislation.

The first item directly affecting the consumer is the rule that brokers shall explain at the request of clients the differences in and the relative costs of the principal types of insurance which in the opinion of the broker might suit a client's needs. The code is of particular importance. If the broker offers just one type of contract, then the client should ask why. In these days of aggresive competition in the marketplace, after all, it is very rare to find just one type of contract.

For example, if the broker offers a new for old type of insurance for household contents, which has a higher premium and therefore a higher commission than an indemnity type, he should be asked to explain the difference in cover and cost and why it meets the needs. The brokers could well be right to recommend a new for old scheme, but he should explain the alternatives.

This rule is reinforced by another which states that brokers shall ensure the use of a sufficient number of insurances to satisfy the requirements of clients. The broker should provide a choice of quotations.

Another important requirement is that, on the request of the client, the broker has to disclose the amount of commission being received from the insurance company. The client needs to ensure that the contract being offered him is done so on the grounds that it is the best to suit his needs and not because it pays the highest commission.

The methods of maximising commission as far as life assurance is concerned fall into two categories. The first is the obvious difference in scales paid by companies which are members of the Life Offices Association, or its sister body the Associated Scottish Life Offices, and those which are not members. The latter tend to pay higher commission rates. Secondly there is the subtle but more important difference in commission rates between various types of contract. And here there is real scope for abuse.

On a 25-year policy the initial commission is 60 per cent of the annual premium. On a 10-year policy it is 25 per cent. If you want a 10-year contract, do not be persuaded to accept a flexible endowment which offers you cash-in facilities from the 10th year onwards, unless you really feel you want it. The broker gets twice the commission.

Another rule prevents the broker forecasting non-contractual benefits unless the insurance company provides that forecast. The inference is obvious. Some life companies include terminal bonuses in their projection of the benefits on with-profits contracts. Others, especially the Scottish offices, adamantly refuse to include them. But up to now many brokers have simply ignored the quotations from the company and prepared their own. This practice now has to stop.

Finally, brokers have to display prominently in their offices a notice explaining that a copy of the code of conduct is available. If a member of the public should wish to make a complaint or seek assistance in resolving a dispute, the notice gives the address of the Insurance Brokers Registration Council.

Marketing a VIP

THE STORY of Vanbrugh Life has been one long string of successes since it came under the Prudential's wing in 1974. Over the past few years it has become a market leader in the sale of unit-linked bonds—slightly ahead of Abbey Life and Hambro Life. But this year its crown has slipped, for bond sales at the half-way stage were down by 14 per cent, against an industry rise of 50 per cent. Vanbrugh claims to have been the company most affected by the entry of the traditional life companies into this field.

Vanbrugh's reaction has been to go up-market with the launch of VIP—the Vanbrugh Investment Portfolio, a unit-linked bond with a minimum investment of £25,000. Investors have the same choice of funds as with the existing bonds (minimum investment £1,000), which they can split how they like; they have the same switching facilities and are subject to the same charges. The innovations are quarterly investment bulletins which will inform them of fiscal and legislative developments, and an annual invitation to a VIP investment conference to meet the fund managers.

In this latter development, Vanbrugh is following a path already trod by Schlesinger's with its PIM service and other life companies. Meeting the fund managers is all very well, but what investors really want in order to maximise their return is advice on which funds are likely to do best in the immediate future. On this subject the Pru is only likely to talk in very general terms.

Vanbrugh Investment Portfolio is being marketed exclusively through "top-flight" brokers, particularly those specialising in personal investment and tax planning. They will be invited to these investment conferences.

Americans advance

WHAT IS the connection between selling life assurance and making films? Recently the giant U.S. conglomerate Gulf and Western, best known through Paramount Pictures of "Grease" fame, relaunched the old Slater Walker Insurance company under its new name, Providence Capitol. This week another U.S. conglomerate, Transamerica, best known for its ownership of United Artists ("One flew over the Cuckoo's Nest"), announced plans for the expansion of its UK life company Transinternational.

Transinternational's marketing philosophy is simple: get the investor young and you have him for life. The principal requirement of the married man with a young family is low cost financial protection against the possibility of an early death. Savings contracts come later. So Transinternational argues it is necessary to sell the young married man low cost term insurance, with options to convert at a variety of later dates.

The company claims to have been successful in selling direct to the public. Now it intends to expand into the UK broker field.

Transinternational believes in paying the intermediary the same amount of commission irrespective of the type of contract sold, a practice adopted from its immediate U.S. parent, Occidental Life. The company reckons that such a system ensures the client is sold the right type of contract to suit his (or her) needs. Yet from inquiry it would appear that its commission rates are lower than in the market, though its premiums are higher.

Accountants informed

If you let a part of your house, or have a client who does, then the latest issue of the *Accountants Digest** will interest you. It provides a comprehensive guide to all the furbelows and curlicues of Inland Revenue practice in this and many other areas; the approach in fact, rather than in theory, as amended and recorded in extra-statutory concession, ministerial statement, practice note or press release.

It gives, for example, a run down of the circumstances under which the private residence exemption (from capital gains tax on a sale) might be limited by letting a part of the premises out (no limitation if it's a lodger living with the family; some limitation if it's a rather more formal arrangement). It also gives a run down on the Inland Revenue's approach when the "only or main residence" isn't in fact being occupied as such because it's in course of construction or alteration. And private residences apart, it goes into the Inland Revenue's approach on capital gains as its affects groups of companies, land and buildings, overseas assets and liabilities (and overseas residents), retirement relief, shares and securities and so on. There is another section dealing with close companies, and a third with distributions. It isn't light reading, but the professional advisor should find it very useful.

**Accountants Digest No. 67, "Inland Revenue Concessions and Practice," by J. Philip Hardman. Price £2.50 from Publications Department, Institute of Chartered Accountants in England and Wales.*

To be an actionnaire

SHAREHOLDERS

MARTIN TAYLOR

PRIVATE shareholders in British companies are an unaccountable lot. It came as a surprise, when I recently attended the agm (and egm—a free bonus) of a major company, to find that shareholder participation in the business of the day was restricted to one more or less sycophantic vote of thanks to the board, one suggestion that some of the directors looked as though they were past it, and one question so incomprehensible that the chairman was reduced to whispering to his neighbour: eventually he promised to "come back to that one later."

These whose duties require them from time to time to attend the shareholders' meetings of French companies will tell you that things are done very differently over there. Most French companies have an accounting year co-inciding with the calendar year, and they are statutorily required to hold their agms within six months of the end of the accounting year.

Another statutory requirement seems to be that the chairman should read his speech from the annual report—everybody follows the text, as though it were the Divine Office—and that the company secretary (usually) should then read out the entire balance sheet, profit and loss account, source and application of funds statement, notes to the accounts, and so on.

The most enlightened companies of all give their shareholders a ten-franc note (coin, this year) to pay the cost of their metro fare and to put towards a cognac afterwards: this helps the poor *rentier* get over the shock of seeing what a state consolidated cash-flow is in. This sort of reverse tipping, by no means universal yet, is carried out by a uniformed man at the door.

As you might expect (or might you), French firms have to hire enormous auditoria to cope with the rush. In 1977 attendances were at record levels, as most of the biggest companies were in imminent danger of nationalisation, and the AGMs threatened to be the last ever. Querulous investors asked their chairmen what the shares were really worth—in answer to which Cartesian enquiry they would not be fobbed off with talk of net asset value. A shareholders' protection committee lobbied the meetings of the *nationalisables*, and read out a tract that made the chairmen sound laconic. Shouts of defiance punctuated the source and application of funds.

After all this excitement 1978 was something of a let-down.

But the best-informed observers, and those who looked at their charts, regard 1978 as a mere cyclical downturn. It is as certain as it is that the price of champagne will go up, that 1979 will be a splendid year for French agms, now that the government is creating more shareholders than before by giving them tax concessions.

The mine of the week

MINING

KENNETH MARSTON

PLATINUM and gold have shone brightly this week with their respective prices notching up new records. Over the past year or so, platinum's comeback has been particularly dramatic and this is mirrored in the results for the 12 months to August 31 of South Africa's **Rustenburg Platinum Holdings.**

At the start of the period Rustenburg's selling price for the metal had been reduced to $162 per ounce and production had been curtailed. Towards the end of last year, however, the market for platinum began to improve and a sustained recovery later developed in both the free market and the "fixed" producer prices.

Free market platinum prices rose from $150 to $280 per ounce during Rustenburg's past financial year while the company's own price was raised in six stages from $162 to $250. The rival **Impala Platinum** followed a similar course but, so far, it has not goen along with Rustenburg's latest increase to $260 which was announced a week ago.

Because most of the price increase took place in the second half of Rustenburg's financial year the mine's weighted average price for the period was only 20 per cent up on that for 1976-77. Sales of platinum were little changed but the revival was enough to lift Rustenburg's net profit to R25.8m (£15.1m) from only R4.6m in 1976-77. The latest dividend has thus been lifted to 8 cents (4.68p) from 2.5 cents.

Platinum's recovery has stemmed from a drying-up of Russian exports which supply the free market; Western production cuts; a 10 per cent increase in the important Japanese demand which is mostly for jewellery manufacture; and a better demand from the U.S. And, as in gold, the metal price has also been given a boost by the weakness of the U.S. dollar.

Rustenburg has renegotiated better prices for its sales to the U.S. Ford automobile giant (the metal is used in devices to clean up exhaust emissions) and, like Impala, looks to be set for a very buoyant year indeed.

However, a great deal depends on what happens to the market when Russian metal supplies make a full return; their drying up has been ascribed to several factors, but there has never been an official explanation. For the time being, the free market price remains confident at just under $300.

On the gold front, the strength of the bullion price has again reflected the weakness of the U.S. dollar. South African gold shares are up on the week but, as our graph shows, they have performed badly in contrast with the gold price in recent times.

The reasons for this are mainly bound up with uncertain political situation in Southern Africa and, to a lesser extent, the fall in the value of the dollar premium content of London share prices. But the market is not entirely friendless and we have again seen the important U.S. buying this week.

Next week will bring the first of the September quarterly profit figures from the mines, those of the **Consolidated Gold Fields** group which are due to be published on Wednesday. In the previous quarter, the bullion price averaged $178 per ounce but because of a change in the method of payment to the mines there was a once-for-all bonus which effectively raised the amount received by them to an average of $209.

Profits for the past quarter thus cannot be expected to show much of an increase, if any, on those of the previous three months. They will, however, still be good by any standards and will underline the continued advance in dividends.

As for the metal itself, there is a general air of confidence and Mr. P. A. von Weilligh, president of the **Chamber of Mines of South Africa**, has said this week that the price should remain strong next year, pointing out that the problems of the U.S. dollar and world economic uncertainties have yet to be solved.

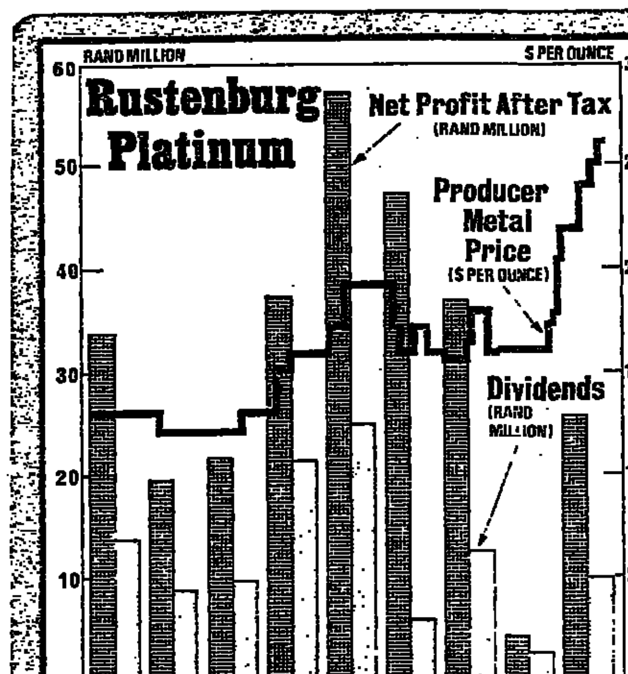
He is also bullish about uranium, commenting that world demand continues to be strong and that prices for the nuclear material remain "reasonably" firm. There is, *however, a tinge of autumn in* the latter comment and it has appeared again this week with the annual statement of Mr. J. C. Fritz chairman of the gold and uranium-producing **Buffelsfontein** who has mentioned that there has been a tendency on the part of customers to take delivery as late as possible.

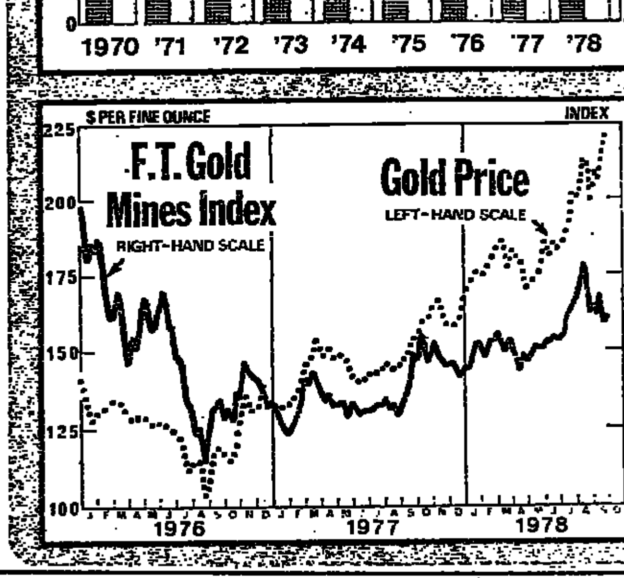
He has added that the medium term outlook is "relatively good." This suggests that the summer flush of demand for uranium, which has been so enjoyed by the South African mines, is now beginning to ease and whatever the longer-term outlook, conditions are less inviting for the new producers.

This may be producing some thoughtful frowns on the part of Australia's potentially big producers, and, indeed, on their new competitors who have made major discoveries in nothern Saskatchewan. Sellers' markets do not always wait for the suppliers who mark time as the Australians have done for so long.

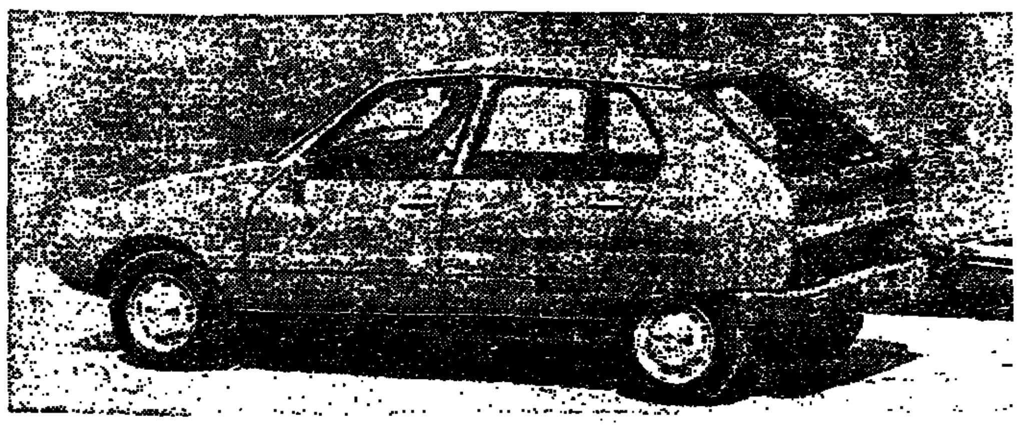
None of the big new mining operations in Australia has yet received the go-ahead. A few weeks ago it looked as though the Ranger deposit of **Peko-Wallsend** and **EZ Industries** in partnership with the Australian Government had at last crossed the various environmental hurdles and with an agreement on Aboriginal royalties all but signed was to be the first to start up.

Since then, however, the Aboriginal groups have been arguing among themselves and the agreement has not been ratified. There is now no chance of any construction taking place at Ranger until the big wet season ends after next April.





MOTORING



The Visa: a proper Citroën even though it is partly Peugeot.

Citroën's way with Visa

BY STUART MARSHALL

IF Chrysler can be as clever as Citroën, they need have no fears of losing their separate identity after a couple of years under Peugeot's wing.

The extraordinary thing about Citroën's latest car, the Visa, is that although it is pure Peugeot 104 from the floor down, it feels—and rides—exactly like a Citroën.

The Visa is the first Citroën in years not to have a special kind of suspension in which front and rear wheels are interlinked. It has a straightforward coil spring set up. But, when I drove the Visa in northern Greece last week, it lolloped as shock-absorbently over the bumps as any Citroën, even if it didn't roll quite so extravagantly on corners.

There are two Visas. The cheaper is the Club, powered by a development of the Citroën *deux Chevaux's* air-cooled, horizontally opposed two-cylinder engine and using the Citroën GS's gearbox. The other, the Super, has the Peugeot 104's *cross-mounted four-cylinder*, with the normal Peugeot gearbox. Of the two, the Super is considerably faster—a maximum of almost 90 mph compared with the Club's claimed 77 mph. But I much preferred the Club. It handled better, due to more even weight distribution, and felt nimbler on winding mountain roads.

It is always tempting to regard cars with only two cylinders as a joke and it had to be admitted that when the Club's motor starts up, it sounds like agricultural machinery. But at anything over idling speeds, it is as smooth as it is willing. From the noise reaching the inside, you wouldn't know whether it was a twin or a four under the bonnet.

Citroën have given their latest twin-cylinder a clever all-electronic ignition system which has no contact breaker or moving parts and thus has nothing to lose adjustment or wear out. They say it gives easier starting and reduces exhaust pollution. It certainly helps fuel economy. During a fairly wild morning's drive, with *miles of flat-out climbing in* third gear. I achieved a fraction less than 40 miles per gallon.

The control layout is typically Citroën, too, with what they call a satellite (it looks like a yoghurt pot) on the left of the wheel to operate lights, horn, wipers, washers and direction indicators. Even the heating/demisting slides are within fingertip reach. The fresh air vents were big enough to permit closed window motoring on the open road with a temperature in the high 70s.

The Visa replaces the Ami, which even by Citroën standards was a very ugly car indeed. (The bonnet seemed to have been sat on by a circus elephant). It looks most attractive, with a sharply dipping bonnet that you can hardly see from the driving seat and a squared-off hatchback tail. There is ample room inside for *full-sized people*. The Club's seats are soft and the blue polka dot cloth trim is in keeping with the car's chirpy character.

Although the Visa made its public debut at the Paris Motor Show this week, it won't be at the NEC Motor Show later this month because British sales are not due to start until September 1979. If the price is right, *it must compete strongly in the* Renault 5/Volkswagen Polo/Fiat 127 class.

While Citroen have been successfully trying to preserve their pre-Peugeot identity, Volvo have been striving to do the opposite with their ex-DAF 343 hatchback. At last, they have won through. The Volvo 343 has now been equipped with a manual *transmission and has become at* least 100 per cent better as a result. It feels a proper Volvo.

A hefty four-speed gearbox—the same as that used in the big Volvo cars—has been built into a trans-axle with a sophisticated de Dion suspension. The gear-shift is quick and clean and the manual 343 is faster, quieter, more economical and altogether *nicer than the two-pedal version.*

The 343 now impresses as a strong and solid car. It rides well over all kinds of roads—including some long stretches of *gravel I tried it on in Sweden* —and retains its good manners. The one thing the 343 could never be criticised for was its balanced behaviour, due to 50/50 weight distribution. The replacement of the Variomatic with manual gears has not affected this at all. It is now a car a hard though safety-conscious driver can really *enjoy.*

The price of the Variomatic 343 is unchanged: the manual version will be £200 cheaper, starting from £3,350. At that figure it must at last start to fulfil Volvo's hopes of achieving substantial sales in the small/medium market.

Huggett into the lead

GOLF

BEN WRIGHT
CHEPSTOW, Friday.

BRIAN HUGGETT, playing on his native soil and with a great *deal of vocal encouragement*, stole the lead after three rounds of the Dunlop Masters Tournament here at St. Pierre this sunny evening with a round of 65 that, after the first two of 69 *and 72, gave him a 7 under par* total of 206.

In second place comes S. African John Bland at 6 under after rounds of 72, 68 and 67. Another British veteran, Tommy Horton, comes next at 5 under par after a round of 67, and the young man who equalled the course record with a 65 on the first day, but who fell away yesterday, with 74, Howard Clark, came back with 70 to-day to be 4 under and by no means out of contention, since a 7 here is possible at all times, due to the profusion of magnificent, centuries' old trees on an essential parkland course.

At 2 under par, there are two players, another South African —perhaps more well-known— Dale Hayes, and the new *Tournament Players Champion, Brian* Waites. At 1 under par come Peter Oosterhuis, the best-known South African, Gary Player, Huggett's veteran business partner Neil Coles and the American "rookie," *Bob Byman* —the only representative of a strictly second eleven importation to be in contention going into the final day.

Huggett is *having a marvellous season at the age of 41* after many years of yeoman service as one of the most courageous players we have bred in the modern era. In all fairness, his courage has always been a greater factor than his natural ability, and one has to think that he might agree.

He *said, in a very happy condition* this evening that his improved form—he won the British Airways-Avis Tournament in Jersey earlier in the season—was due to the fact that he had decided to "give it a whirl, and become a little flamboyant."

This has caused Huggett to become much longer than in previous years, and this is a great advantage—obviously—against the youngest generation, who are at the moment scarcely in evidence.

Huggett's round was almost blemish-free. He feathered in a 103-yard wedge shot 12 feet from the 576 yards first hole for an opening birdie, decided after a bad drive at the second that he was always going to drop a stroke, and did so, and went along serenely until he reached the 315-yard eighth. Here he hit a good drive just short of the green but could not putt the ball because of the "conkers" that *blocked his path.*

He tipped the ball straight into the hole for an eagle two and so was out in 33.

Having missed easy chances at the 10th and 12th *holes, he* hit a delightful two iron shot four feet from the hole at the 219-yards 13th *for his second* two, made an unlikely birdie at the next by pitching over the trees from the left, and another at the 15th with a canny little pitch and run to two feet.

Bunkered at the 16th, he exploded neatly to save par, and although his tee shot stopped short of the green at the uphill 18th, he got up and down for par to be home in 32.

There has been a lot of adverse publicity because Seve Ballesteros, the young Spanish idol has withdrawn from this tournament, and so missed it for the third time in succession —an absence that is extremely hard to tolerate for the sponsors —who run a conspicuously well-organised tournament year after year.

Unfortunately, the time has now come for the Dunlop Company to realise that for a tournament as with the prestige of this one, a prize kitty of £40,000 *is, in all truth, totally inadequate* in modern terms.

Obviously Ballesteros is caught up in a web of intrigue that mostly concerns appearance money, which is the downfall of British and European, not to speak of Australian golf, where the figure handied about by managers just to get a named player to the starting line are nothing short of astronomic.

The hard facts are that Ballesteros is not anxious to play here, or to be more truthful again, his management company don't like the idea, because he *is not receiving appearance* money.

The sponsoring company will just have to realise that these are the sorry facts of life with which anything away from the American tour has to be governed.

The only answer, of course, is to put a great deal more money in the prize kitty. But despite *their tremendous profits world-*wide that are plainly visible to the professional golfers in question, Dunlops have chosen to underplay the prizemoney *angle for too long. It hurts me* to say it, because I like the people and the tournament too well, but Dunlops have relied on contractural goodwill between themselves and the players they employ to use their clubs and balls to appear for them for too long. This was all very well in the good old days before money became the most demanding yardstick in professional golf.

But now one has returned from the World Series of Golf at *Firestone Country Club in* Akron, Ohio, where $300,000 were at stake to be taken away by 24 players to a tournament that is supposedly equally prestigious—and one is not talking strictly in terms of *money*— where only £40,000 is at stake for twice that number of players. The fact is that Dunlop is a major worldwide commercial concern and the money provided for the World Series has to be put up by the governing bodies of professional golf in the United States.

It is scarcely surprising that *the American challenge here is* strictly second-rate and that players of the dramatic appeal of Balesteros have chosen to give this tournament the brush-off for the third year in succession.

It pains me to write what I felt is heresy in pure golfing terms, but those have long since gone out if the window in the *modern era of professional golf.*

Scotland's finest

SOCCER

TREVOR BAILEY

HAVING MET Jock Stein on many occasions it was easy to understand why the chairman of Leeds United and, indeed all the staff and supporters are so disappointed to see him depart to become *manager of Scotland. In his* brief stay at Elland Road he had already shown he was exactly the right man to bring back the success of their Don Revie era.

Jock has proved himself to be a great, and that much over-employed adjective is used deliberately, manager with a track record to substantiate the claim. Under his guidance and with very meagre resources Dunfermline won the Scottish Cup and Hibernian did likewise. When he took charge of Celtic—the first Protestant to *be entrusted with the job*—he transformed this Catholic club into not only the finest in Scotland, but it was also the first club in Great Britain to carry off the European Cup.

In his long and distinguished reign as the supremo of Celtic which began in the mid-60s and ended earlier this year, they won every conceivable honour, usually more than once. He *would probably still have been* in charge, if he had not been seriously injured in a car crash some three years ago. While slowly recovering, Celtic began to slide and Rangers replaced them at number one, so that his directors decided to move him upstairs with the comfort provided by an enormous benefit as a mark of their apprecation for what he had done for them.

It is easy to understand why Jock Stein has been so successful as a manager. First, he knows how to handle men. *Second, he has a deep love* for and is an expert on the game. Third, he possesses a keen intellect and a marvellously retentive memory. Finally, he is just as hard, and as tough as the coal he once dug as a miner in Lanarkshire.

What is surprising is how Jock's association with Celtic began. He was not an especially good footballer and played for Albion Rovers, before joining Llanelli. While with the Welsh club his home in Glasgow was burgled and he returned immediately without a job, plus a natural disinclination to return to the pits. It was then that Bob Kelly, the chairman of Celtic, *later to be knighted*, had an inspiration. He persuaded Jock to come and look after Celtic reserves in the early 50s. To everyone's surprise he proceeded to establish himself as a regular member of the first team, a classic example of a late developer.

Stein was an effective, not an elegant player, about whom it was sometimes said that he was the worst footballer, but the best centre half in Scotland. He also turned out to be a tremendous club captain so that, after proving himself with other clubs as manager it was only natural that the far-sighted Kelly should eventually invite his protege to take charge of Celtic.

He quickly showed his worth and won the respect and admiration of the entire football world—no mean feat—for his honesty and integrity, as much as for his ability as a manager. *Here was a man of principle*, who was surely destined to succeed, a born motivator. I have the feeling that if he had never played football he would have developed into a brilliant trade union leader, because he inspires the trust and the confidence of other people to a *remarkable degree.*

After Scotland's disasters in the World Cup, both on and off the field, the Scottish Football Association had to make changes. Jock Stein was both the obvious and the popular choice, but why they should have delayed until he had taken over at Leeds is hard to fathom, and *distinctly unfair on the* English club.

Inevitably Jock could not resist their offer to look after the Scottish national team and it had nothing to do with money. This new appointment meant that both his wife and himself could remain in the West of Scotland they love so much with the rest of his family and friends, while it also provided him with one supreme, final challenge. He did much to make Celtic the best side in Europe. Can he now make Scotland the best team in the world? If anyone can achieve this objective it must surely be Jock Stein, and everyone must wish him luck.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

DIVIDEND NO. 105

Pursuant to the notice published on 30th August, 1978, members are informed that the rate of exchange at which payments of the above dividend are to be despatched by the United Kingdom Paying Agents on 13th October, 1978, is 1 Rand of 100 cents equals 58.1695p United Kingdom currency. The gross dividend payable by the United Kingdom Paying Agents is therefore equivalent to 75.6201p per share.

Holders of Share Warrants to Bearer are informed that payment of dividend No. 105 will be made on or after 16th October 1978 upon surrender of Coupon No. 105 at the London Bearer Reception Office, 40, Holborn Viaduct, London EC1P 1AJ.

	Amount Payable per share (U.K. currency) p
Equivalent in United Kingdom currency of dividend declared	75.6201
Less *South African Non-Resident Shareholders' Tax* at 14.79%	11.1842
AMOUNT PAYABLE WHERE A U.K. INLAND REVENUE DECLARATION IS LODGED WITH COUPONS	64.4359
Less United Kingdom Income Tax at 18.21% on the gross dividend (see Notes 1 and 2 below)	13.7704
AMOUNT PAYABLE WHERE COUPONS ARE LODGED WITHOUT UNITED KINGDOM INLAND REVENUE DECLARATIONS	50.6655

COUPONS must be listed in duplicate on forms obtainable from the London Bearer Reception Office and deposited for examination on any week-day (Saturday excepted) at least seven clear days before payment is required.

BARNATO BROTHERS LIMITED,
London Secretaries
D. W. J. PHILLIPS,
Secretary

99 Bishopsgate,
LONDON EC2M 3XE.
6th October, 1978

NOTES:
(1) The gross amount of the dividend for use for United Kingdom Income and Surtax purposes is 75.6201p per share.
(2) Under the Double Taxation Agreement between the United Kingdom and the Republic of South Africa, South African Non-Resident Shareholders' Tax applicable to the dividend is allowable as a credit against the United Kingdom Tax payable in respect of the dividend. The deduction of tax at the reduced rate of 18.21% instead of at the standard rate of 33% represents an allowance of credit at the rate of 14.79% in respect of South African Non-Resident Shareholders' Tax.

PROPERTY

Past tense, future imperfect

BY JOE RENNISON

QUITE A NUMBER of agents have been giving their views on what is happening or what has just happened in the market recently. While demand seems to remain as strong as ever there is again that distinct feeling that the price front is seeing a period of quiet.

As far as the upper end of the market is concerned Hampton report thus. Overseas buyers are still exerting a strong influence on the country house market and demand in general continues unabated. reports Paul Hutchings, country department partner of Hamptons. "Recently, however, there have been changes in the market. Middle Eastern buyers, for several years one of the strongest influences on the country house market have been much less in evidence this season (although they are still active in central London). Their place has largely been taken by continental buyers. The Danes and the Dutch along with a sprinkling of Germans and Italians are now making the pace in the market."

One effect of this change has been to broaden the range of properties being sought. The huge and lavish country house is still very much in demand but latterly there has been additional emphasis on the good family house of, perhaps, seven bedrooms standing in five or 10 acres.

The area of most interest continues to be within a 50 mile or so radius of London. Currently there is particular pressure to the North West of London in an arc from Reading to St. Albans. An exception in this general picture are the Dutch who seem to be prepared to go anywhere to look at property with land. They have been quite active in Norfolk, Suffolk, and outer Essex and also in Devon and Cornwall.

At the moment, he says, there is a severe shortage of top and middle market properties in these areas and he points to two factors which have contributed to the shortage. "Firstly, the cut back in the construction of quality houses after 1972 as inflation pushed building costs beyond market prices and secondly the fact that a house sold to a foreign buyer is not replaced by that buyer selling his existing property."

"In Hampton's own case, for instance," says Mr. Hutchings "we have over 500 purchasers actively seeking properties at prices between £70,000 and £200,000. We also have a significant number who are ready and able to pay considerably more than this and whose requirements remain unfulfilled."

Such is the pressure from buyers that maintaining a orderly market is becoming more and more difficult and the obvious solution — an auction —is becoming the order of the day. "In all the circumstances," he concludes, "a continuing increase in prices for houses at the top of the market seems inevitable."

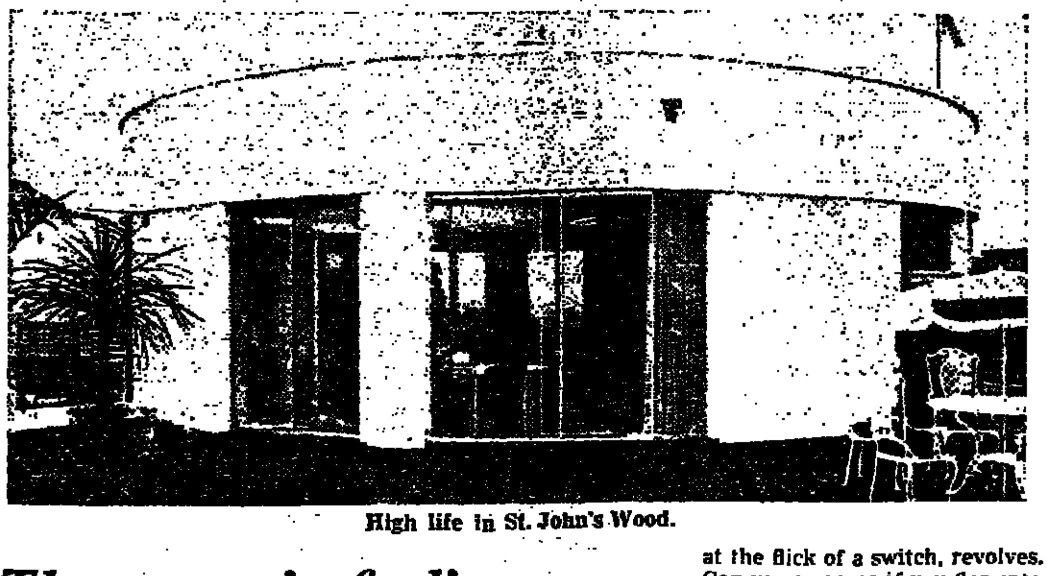
Wellar Eggar, with several offices in the plushier parts of the Home Counties seems to take a more relaxed view. Government restrictions and falls in the inflow of funds have lead to a mortgage shortage and now a possible rise in interest rates for the new year according to them. A number of building societies are unable to offer a mortgage before December, some have even closed their waiting lists and others are talking of January 1979 as being the first available date on which a mortgage will be offered. Like the property market, the actual mortgage situation can vary from region to region. It is thought that the net increase in all building society deposits will fall below £5bn this year, compared with £5.8bn last year, but hopefully increased growth is forecast again for 1979. Against this background, agents Weller Eggar have been trying to assess the property market and its trends in the areas covered by their Hampshire, Sussex and Surrey offices. During the last three months the price rises have been only minimal and buyers are becoming more selective, although there is still very little for them to select. The mortgage shortage has slowed the market.

It can now take over four months for an average sale to be completed, whereas earlier in the year it could be effected in half that time. Some, but not all the areas have reported a definite slight increase in the number of houses coming on to the market; some of these houses are being too highly priced however, as owners who may have been reluctant to sell earlier in the year hoping for higher prices in the autumn will not face the situation in the market at the moment. An outstandingly beautiful or unique house will still sell for an outstanding price and to many foreign buyers our houses are still inexpensive, but the ordinary British family with uncertainty over the Government pay policy and mortgage difficulties is becoming cautious of stepping too far "out of line" and of paying too much for their home.

Wellar Eggar, like most agents, find the shortage of new property is affecting all price ranges. The first time buyers often cannot afford to purchase even at the now cheapest end of the market. People wishing to move from this lowest price range are finding it difficult to move into upper priced property, not because of the capital outlay, but because of the maintenance costs of larger, usually older houses. In this middle range too, there is a percentage of applicants who are trying to move from these self-same larger houses into something more economical and these facts are contribuing to a great scarcity of middle-priced houses. Weller Eggar see the market continuing to level out over the next few months and they hope for a return to more stable growth in the new year.

From the New Forest Jackson and Jackson: as they forecast in their Property Review at the end of last year, they expected property values to rise in 1978, and over the past nine months they say they have witnessed a gradual rise in the market of at least 15 per cent.

The demand for houses, cottages and bungalows has been keener than ever and in spite of the increase in mortgage rates and the slowing down of funds.



High life in St. John's Wood.

That certain feeling

CAME BACK from looking round a place the other day feeling distinctly queasy. Physically there was a mild nausea, probably brought on by vertigo (or do I mean verdigree, or both—well never mind). Mentally the effect was much more distressing: there seems to be the onset of creeping schizophrenia or persecution complex, or both.

If your had been stuck what seemed like hundreds of feet above St. John's Wood tube station with little likelihood of seeing home and family again and the possibility of being hurled at any moment down into the seething maelstrom of the Finchley Road below you would know what I mean. And there was this PR lady whose intentions were no doubt honourable but who wanted to point out the heights of Hampstead in one direction and the Post Office tower in the other. But, in these circumstances would you have turned your back to gaze into the distance?

Suddenly there was this fanfare of trumpets. Very nice, I thought. Yes, the F.T. is a quality newspaper but really this was not necessary. But all it was was some soldiers down below in the nearby St. John's Wood barracks practising welcomes for visiting heads of state.

We had gone out onto the roof garden to escape the insanity inside the flat itself. This two-storey apartment has been fitted out by a man who worked on the sets for the James Bond films—and it shows. While no doubt it is handly for the tube (if the Rolls has broken down) living in it could lead to some form of mental disorientation.

One totters around the place continually apologising to someone else coming the other way until it is realised that it is one's own image looming in one of the thousands of mirrors. There is a circular bed which, at the flick of a switch, revolves. Can you imagine if you flop into bed one night after maybe a couple of jars too many and accidently press the switch the condition you would be in next morning? Jet lag would be heaven by comparison.

Electronic gadgetry abounds. At the flick of a switch you can make a wall move, open the door, put on the telly or the high-fi. The baths are all sunken, the pile on the carpets sprouts high and the taste in furnishing is beyond expression. A waterfall cascades down one wall and the light fitting in the main living room gives a night time effect of something out of the Planetarium. (See photograph.)

There are three bedrooms and bathrooms, living room and kitchen. This column has always had the mental and physical welfare of its readers in mind so the price will not be mentioned. To do so would have half of you die of shock and the other half collapse with a fit of the giggles.

Agents are Chestertons and Anscombe and Ringland.

So many people wandering through my office in the last couple of days, having seen the above picture, and said "Oh, that's pretty" or words to that effect, I felt I must bow to public demand and reproduce it. It is of a delightful 16th century cottage, Rose Cottage, in a quiet part of the village of Bloxham, Banbury, Oxfordshire. The property is for sale through the Ramsbury office of John German Ralph Pay for £32,500. The original 16th century part of the cottage is of local sandstone under a thatched roof, with a brick and tiled extension and slate and timber rear addition. The cottage has been well maintained and was rewired two years ago and there is also a Rentokil woodworm guarantee. The agents say there is scope to improve the property further by converting the garage into a second reception room and possibilities for adding an additional bedroom at the rear subject of course to the usual permissions. The accommodation at present provides a dining hall, sitting room, kitchen/breakfast room, 2 bedrooms, dressing room/3rd bedroom and bathroom. Both the sitting room and dining hall have stone fireplaces (although sealed off in the former) and plaster boarding which could be removed to reveal beams. There is also a sealed-off fireplace in the kitchen with an ornamental pine surround. There is a small front garden and a garden at the back.

Search for a new home

A NEW SERVICE started in Britain this year to help home buyers acquire property some distance from their existing address, has been given an enthusiastic welcome.

Over 4,000 families have sought Home Relocation's assistance since January, says its chairman David Morris. "Despite a drastic shortage of properties and in most places a sellers' market, our member firms were able to render valuable assistance to those families who have to move from one town or city to another."

Mr. Morris, senior partner of the London-based estate agents, Allsop and Co., says the demand for the service had been "almost overwhelming at times." At one point inquiries were running at the rate of nearly 60 a day but have now fallen back to between 30 and 40.

Home Relocation, which was launched in January with some 70 firms with 230 offices, now has 122 firms with over 500 offices. Its members, situated in or near all the major conurbations of the UK and Ireland, pledge to give every assistance possible to home seekers without any charge or obligation. The only charges made are the normal ones where members are instructed to sell property.

The service is designed to especially cater for those families having to move because of job changes. However, the service is open to anyone on the move.

Case histories have involved people moving from Scotland to the South East, from London to the West Country: in fact, movements have been in all directions, and include several overseas transfers.

It caters for all income groups. "Of course our members find it extremely difficult to help those seeking property in the cheaper end of the market," says Mr. Morris, "quite simply because that is where there is the greatest shortage." All Home Relocation members, stretching from Penzance to Aberdeen, are pledged to assist anyone trying to buy property.

"Part of our job is to counsel applicants and try to persuade them to be realistic about house prices. That said, we are in their hands and will make every effort to find a home they can afford."

An analysis of prices Home Relocation clients say they are willing to pay ranges from £15,600 in Bolton to £45,000 in Marlow. "There is no bottom or top to the price range where our members will provide assistance," says Mr. Morris.

PROPERTY

COUNTRY PROPERTY: OVERSEAS PROPERTY: LAND: ESTATES AND FARMS: INVESTMENTS: SHOOTING:

Birds abroad

Pigmy cormorant

IT WOULD be interesting to know what the fishing and farming folk of northern Greece made of us: a small group of binocular- and telescope-wielding Britons, scrambling through mountain scrub, trudging round salt pans, ambling along gorges in pounding afternoon heat, squatting among the ubiquitous glasswort of rival deltas, creeping about olive groves—and acquiring a pretty good sun tan in the process.

The occasion was one of a dozen or so bird-watching tours arranged by Cox and Kings this summer in different countries. Like any specialist holiday, it had two prerequsites. The first was a real interest in the subject for, make no mistake, it is taken with proper seriousness (not, however, precluding a good deal of fun): the second was the loan or purchase of the right equipment. In my case, the interest went back many years, but the taking of it in any way seriously is relatively recent: thus the tour was an exhilirating—and very chastening—experience.

In terms of equipment, the prime requirement was a good pair of binoculars, plus a bird identification book, casual clothing, comfortable, and at times sturdy shoes, a head protection, sun cream, and something to nibble at when time got forgotten, as tends to happen when you're out in the field. Our leader, Cliff, also had a telescope for communal use and a small library of books for identifying flowers and butterflies as well as birds.

Our travels by small coach took us right across northern Greece from the border with Yugoslavia and Albania at Little and Great Prespa lakes, to the Evros delta edging Turkey. The two weeks were divided into three- or four-night stays in four centres: Florina in the north-western mountains; Salonica, Kavala and Alexandroupolis along the coast. We saw lovely scenery, countless cameos of the sort of rural aspects that most holiday-makers never see (though we fitted in some fine beaches and made good use of them, too), and took time off to visit major archaeological sites.

The tour was based on half board at good or medium hotels, with private bath or shower. This left us free to lunch at sometimes rather unlikely hours in tavernas (around £1.00-£1.50 including local beer or retsina wine) or picnic-style with ingredients purchased at local super- or open-air markets (around 50p per head). Members of our small group came from scattered parts of England and diverse professional backgrounds. But, in fact, on this kind of holiday, backgrounds count for little: it's the common interest which binds most groups into congeniality.

In terms of ornithological expertise, I was certainly at the bottom end of the scale, but everyone else was generous in sharing both their knowledge and their better equipment, and our leader had infinite patience in clarifying what must have often been the obvious. Alone, I *might* have seen half of the 125 species I achieved out of the group total of 180.

As any proper bird watcher will know, however, it is not simply a question of "bagging"

TRAVEL
SYLVIE NICKELS

new species. The whole field of bird behaviour is an inexhaustible source of fascination. The time of year—late August and early September—brought its own additional tests: juveniles in different plumage, adults in varying stages of moult, and that seasonal border line between the departure of summer and arrival of winter visitors. I found it consoling that even the experts often had to look twice. In the evenings, we would debate these and other knotty questions over after-dinner coffee or something stronger.

This is not the place to present a string of ornithological names, but a few may indicate the variety and the potential pleasures. Not least was an aerial ballet of migrating storks, slowly circling and then coming into land near the Turkish border; a sudden take-off of egrets and glossy ibis, like a scattering of draught board pieces flung into the sky; a mixed bag of waders, all splendidly available for comparison within one binocular field of vision; a pigmy cormorant preening on a post; the superb black-and-white geometry of spur-winged plover in flight; a masked shrike seeing off a red-backed cousin; the wonderfully measured wingbeat of grey and purple herons, low over the marshes; the long red legs of black-winged stilt lengthened by their own reflections; and bee-eaters bubbling overhead.

In Salonica, we did a fair coverage of Byzantine churches and visited the Archaeological Museum. On special display were some of the fabulous treasures from the tombs currently being excavated at Vergina, including probably that of Philip II himself. In northern Greece, it would be criminal to divorce history entirely from ornithology. Nor did we try.

Note: the cost of this escorted tour was £363 (£42 single room supplement) with all travel and half board; most other tours in the programme are less. Details from Cox and Kings, Vulcan House, 46 Marshall St., London W1V 2PA. Among other birdwatching tours are those of Ornitholidays, 44 Aldwick Rd., Bognor Regis, Sussex PO21 2PW; and Peregrine Holidays, 41 South Parade, Summertown, Oxford.

Your Weekend £ Austria 27.00, Belgium 61.75, France 8.40, Italy 1,590, Greece 70.50, Spain 141.50, Switzerland 3.12, U.S. 1.9750. Source: Thomas Cook.

Photographed in front of the Hennessy Distillery, deep in the heart of Cognac, is a Jacques Gilles coat in burgundy "knobbly" rib knit. It has stud fastenings and a ribbed high neck and is wonderfully light and warm. The coat is £170 but to go with it there is a complete Jacques Gilles matching outfit which has the kind of simple, expensive look that the French and Italians do so well. A wrap-over skirt and long-sleeved top are both made from burgundy/beige striped fine wool jersey. £120 the outfit.

The clothes and accessories come from Wardrobe, 17 Chiltern Street, London, W1, or from Wardrobe at the Elizabeth Arden Salon, 19-20 New Bond Street, London, W1. The camel leather sandals are £27.95 from Galaxy Shoes, 40 South Molton Street, London, W1.

I AM SURE you will be pleased to know that the official message, ratified as it were by the *hautest of haut mondes*, is that coats are back. Probably as far as you are concerned they never went away. Certainly, I myself saw no way of getting through an English winter without one.

It is true that in certain elevated and rather well-heeled circles, softest cashmere piled upon softest angora, all put together in an ineffably chic way, did mean that you were really quite warm enough to stagger from car to restaurant or centrally-heated house or office, no matter how chill the prevailing winds.

Those of us for whom a coat has proved essential all along will, of course, be delighted to know that we now have the fashion equivalent of the Good Housekeeping Seal of Approval.

If you are thinking of buying a coat this year you'll be in for a shock over the price. I couldn't find a coat that I really wanted for under £70. The cheapest all-wool coats that we could turn up were about £37 (at John Lewis and Debenhams), while Marks and Spencer had an all-wool one at £39.50.

The newest looks in coats are not tremendously flattering but they are all-enveloping. The large military look is in, so is the schoolgirl look. This needs careful accessorising but can look seductively demure if you can get it right. Simple double-breasted coats are back, too, but so as not to look dreary they need to be worn with an "air."

We photographed some of the high-fashion coats, the ones that express the flavour of the winter of 1978, in the heady atmosphere of Cognac, in the grounds of the lovely Hennessy chateau on the banks of the river Charante. In the drawings are coats at more middle-of-the-road prices and more middle-of-the-road styles.

L v d P

Above left: Kay Cosserat is famous for her wonderfully soft and flattering knitted garments. All her colours are soft and blend invisibly and mysteriously into each other. The *look* in the photograph, above, is typical of her handwriting.

This particular outfit consists of a ¾-length coat with an attached scarf—the colours are the same as those in the waistcoat and have either a biege or grey background and then may be striped in various subtle combinations (green/brown/blue or burgundy/lavender/pink or chocolate/tan or chocolate/burgundy/tan). The coat is £113.60, the waistcoat, £30.

Worn with the coat and waistcoat is a long-sleeved blouson top with a matching full skirt, both in plain grey or beige. The blouson is £30.20, the skirt £44.80.

The best selection of her clothes is at Harrods, Knightsbridge, London, SW1 but at the end of October there will also be good selections at Stella Nova, Edinburgh, Marments, Cardiff, and John Ponting, Birmingham.

Above: Photographed in the Hennessy Distillery against a background of a huge gleaming copper still is a coat from Wallis Shops who, as ever, provide, at reasonable prices, the very latest look. As you can see, the military look is here — wide shoulders with epaulettes and high collar are its trademarks.

The coat is 65 per cent wool with 25 per cent polyester and 10 per cent other fibres and it has a co-ordinating scarf in mini-check tweed which identically matches a button-in detachable lining in the same tweed. The coat comes in four heather colours—blue, plum, green and brown. It is £55 from Wallis Shops.

The "Camargue" boots in tan leather with cross-over straps are £49.99 from all branches of Russell and Bromley. The Sam Browne belt is £5.95 and the brown felt hat by Herbert Johnson is £17.50, both from Fenwicks.

The three coats we have photographed, above, all represent areas of high-fashion—they are the coats to buy that will last because if you buy them now you will be moving in at the beginning of a fashion. For those who either can't pay those prices or want something more middle-of-the-road here are three of the best coats we could find for the *money*.

From left to right: Debenhams major stores have succeeded in offering to their customers a wide range of reasonably-priced coats all made specially for them to their own specification. This cotton corduroy coat in a classic trench-style comes in wine, olive or rust and is £39.95.

To me this next coat looks very like a well-known much more expensive coat and for those who like the style it is remarkable value, though not cheap. Fully reversible camel/cream or grey/cream in pure wool it is £55 from selected Marks and Spencer stores.

Finally, a cuddly flecked brown 55 per cent wool coat with lots of detailing like elbow patches, reversible belt and collar which makes it look much more expensive. £49.95 from main branches of Richard Shops.

Photographs by Trevor Humphries and Edward Holt
Drawing by Sumiko

Time to run for shelter

There has now been sufficient cold weather to give warning that the more tender plants which have spent the summer outdoors must be returned to some more sheltered place. They will include all the gay bedding "geraniums" or pelargoniums, even those raised from seed since these will overwinter just as well as the rest and will probably perform even better next year, though—I must add that I have been pleasantly surprised by the excellent first year display I have had from Sprinter and Pacemaker. Daturas must also go inside, those richly scented Angel's Trumpets which make such handsome tub plants for terraces and patios, and so should bougainvilleas, plumbagos, marguerites, passion flowers, particularly the brilliant rose red *Passiflora antioquiensis* which is a good deal more tender than the more familiar *P. coerulea*. The big African lily, *Agapanthus african* will also require protection in cold gardens but the smaller flowered varieties usually sold nowadays as Headbourne Hybrids, are hardier and will survive all but the hardest winters outdoors.

Tuberous rooted begonias must be dug up before the winter but, as they can be stored dry without any stems or leaves, it does not matter if these get singed by frost provided it has not been sufficiently severe or prolonged to damage the tubers, the only part of the plant to be retained. Much the same applies to dahlias though it is arguable whether these should be lifted at all. The specialists will be in no doubt and will reply that all should be dug up as soon as their flowers and leaves have been blackened by frost, that all stems should be cut off 4 to 5 cm above the tubers and, after these have been allowed to dry for a few days in a frost proof place they should be stored in a frost proof cupboard or shed.

They are quite right if it is very important that all the tubers should survive but it is surprising how many will pull through an average British winter outdoors if they are protected with a 10 cm layer of peat. This saves a lot of time and may be entirely satisfactory for those gardeners who do not mind greatly if they lose a few plants, or even the lot during an exceptionally severe winter, and would prefer to take this risk rather than go to the trouble of annual lifting, storing and replanting. If some plants do succumb others that survive can be lifted, divided and replanted in their place in the spring when their new shoots come spearing through the soil.

Camellias growing in beds are quite hardy and so are most hydrangeas, though some of the large flowered kinds may lose their terminal buds during the winter or early spring and then fail to flower properly the following summer. This can be prevented by spreading a large piece of hessian or polythene, or better still the fine plastic mesh sometimes used for greenhouse shading, over the plants. It is a different matter with camellias and hydrangeas grown in pots or other containers as then the soil as well as the stems may be frozen and that can cause problems. Because of this, in some cold gardens it may be wise to remove the plants to a more sheltered place or to pack straw or glass wool around the containers as insulation. In town gardens

GARDENING
ARTHUR HELLYER

these plants usually survive because of the warmth radiating from many buildings which can raise the temperature several degrees and significantly reduce the severity and duration of frosts.

It is much the same with fuchsias though with these there is a marked difference in hardiness between varieties. Margaret, Mrs. Popple, Gracilis, Riccartonii, Thompsonii, Alba, Tom Thumb and Lady Thumb will survive quite a lot of frost provided their roots are covered with 6 to 8cm of soil. Texas Longhorn, Citation, Swingtime and Marinka are more tender and Gartenmeister Bonstadt even more so but it would be a bold man who would state positively just how much frost each would survive. My own policy is to give them all a chance but to hedge my bets by rooting a few cuttings of each, especially of those I believe to be at risk, and overwintering them in their cutting pots in a greenhouse or on a sunny window ledge. It usually works well and it saves a lot of worry. The alternative is to lift and pot some of the plants and bring them under cover. If they can be kept in a light and fairly warm place they may even retain a lot of their leaves all winter, start to grow again in March and be in flower by May. It is an easy way of prolonging the fuchsia season.

The best place in which to overwinter all tender plants that cannot be stored dry (which really means all those that do not make bulbs, corms or tubers) is in a light, moderately heated greenhouse or conservatory. The temperature does not need to be high, in fact it is better that it should not run above about 20degs.C with the average around 13 to 15 degs. C. It can even drop to 7 degs. C at times with no harm done but what it must never do is to fall below zero. That is why some form of heating is desirable because it is difficult to exclude frost from a completely unheated structure. One can improvise with coverings of brown paper or polythene sheeting or one can line the greenhouse with one of the special insulating materials made for the purpose like the polythene "quilts" containing bubbles of air, but even so there will come a time when the frost outside will be so severe or to have continued so long that the temperature inside will fall below 0 degs C. Then trouble arises more so, curiously, than outdoors since the plants inside have not been so severely acclimatised to cold and are almost certain to be more advanced in growth. The heating required is not great and nowadays can be provided in a variety of convenient ways including portable electric and gas heaters, the latter working off bottle gas if a mains supply is not available.

Failing a greenhouse or conservatory, quite a lot can be done with a verandah, garden room, loggia, glazed house extension, well lit shed or garage or even a sunny window. The less light there is the more difficult will it be to keep plants in good condition or to prevent them producing thin, weak shoots with pale leaves which will be even more at risk to cold or damp. Yet with a little care and common sense wonders can be performed.

CONTRACTS AND TENDERS

GOVERNMENT OF MAURITIUS

MINISTRY OF AGRICULTURE AND NATURAL RESOURCES AND THE ENVIRONMENT
BULK SUGAR TERMINAL — PORT LOUIS
AUTOMATIC AND MANUAL FIRE ALARM SYSTEM

CONTRACT NO. 20

Tenders closing at 1.30 p.m. on Wednesday, 6th December 1978 are invited for the following works for the Bulk Sugar Terminal at Port Louis, Mauritius, in accordance with the Specification, Drawings and General Conditions of Contract for Contract No. 20.

The Contract is for the supply and installation (under British Code) of an Automatic and Manual Fire Alarm System for two large sugar storage sheds, each 364m long by 46m wide and include for approximately 400 smoke detectors and a manual alarm system complete with mimic panel.

Drawings, Specification and General Conditions of Contract may be examined at the offices of the Consulting Engineers, Macdonald Wagner & Priddle Pty. Ltd., at Port Louis, Mauritius and at North Sydney, N.S.W., Australia, and also at the Mauritius High Commission, 32/33 Elvaston Place, London, S.W.7, England, and the Mauritius Embassy, 68 Boulevard de Courcelles, 75017, Paris, France.

Sets of Drawings, Specification and General Conditions of Contract for companies registered in Mauritius may be obtained from Macdonald Wagner & Priddle Pty. Ltd., Rogers Automotive Building, Cnr. Edith Cavell & Mere Barthelemy Street, Port Louis, and for companies registered in all other countries, they may be obtained only from Macdonald Wagner & Priddle Pty. Ltd., 100 Miller Street, North Sydney, N.S.W., 2060, Australia—Telex No. 20836. The non-refundable charge for each set of documents obtained in Mauritius is 580 Mauritian Rupees and 80 Australian Dollars in Australia.

Envelopes endorsed "Tender for Contract 20, Fire Alarm System, Bulk Sugar Terminal, Port Louis" and containing a Tender accompanied by a Tender deposit are to be addressed to the Chairman, Tender Board, Ministry of Finance, Port Louis, Mauritius, and lodged in the Tender Box, at the Chief Cashier's Office, Accountant General's Division, Treasury Building, Chausse, Port Louis, Mauritius or posted from overseas to reach the Chairman, Tender Board, Ministry of Finance, Port Louis, Mauritius on or before the closing time and date.

The Tender Board does not bind itself to accept the lowest or any tender and will not assign any reason for the rejection of a tender.

Ministry of Agriculture &
Natural Resources & The Environment

COMPANY NOTICES

RANSOMES SIMS & JEFFERIES, LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Register for the Ordinary Shares will be closed from the 16th October to the 29th October, 1978, both dates inclusive, for the preparation of interim dividend warrants.

By Order of the Board,
L. W. BRYANT, Secretary.
Nacton Works,
Ipswich.

HOW TO SPEND IT

by Lucia van der Post

A room of one's own

IT SEEMED like a heaven-sent opportunity when Maples asked me if I (and about seven other journalists) would design a room, any room at all, to help celebrate the grand opening of their newly-built store at the top of London's Tottenham Court Road. After all, usually when I'm furnishing parts of my own home I'm having to choose something that will go with the carpet we're stuck with because we can't afford to change it, or I may find just the sofa at very much just not the right price.

In my room for Maples I could choose anything I fancied —price no object, colour no object ("we'll just dye it to match") and people laid on to run up curtains, cover cushions, fiddle about with moving the furniture. I could just be in charge of the grand design—a role I've always secretly rather fancied. The only real restrictions were that I was obliged, quite naturally, to choose the furniture from the ranges that were going to be sold at Maples.

In the end I decided to do the sort of room I've always hankered after—an all-the-year-round summer room. It isn't a conservatory (though that would be lovely, you either have one or you don't). My room could be created by anybody out of even the most unpromising of box-like shapes.

Because I wanted it to convey an impression of leafy greenness, of summer sunlight and of warmth, I chose a very pretty wallpaper from Osborne and Little called Willow (a small section of it is reproduced far right). It has a cream background and is covered with small-scale gentle leaves and the occasional small pink flower. The paper costs £6.80 a roll (the number for easy reference is 211a) and there is a matching fabric, used on several of the cushions, which sells for £6.48 a metre. Both can be ordered either directly from Osborne and Little of 304, King's Road, London, SW3 or from *good-class decorating shops.*

I was lucky in finding that Crossley had a 100 per cent wool carpet that exactly matched the green of the wallpaper for colour. Called York, it is a hard twist Wilton; the colour rejoices in the name of Georgian Green and it sells for about £16.75 a square metre or £14.00 a square yard—from Maples, of course.

To further enhance the leafy, bower-like atmosphere that I was after I fell upon a much bolder green and white patterned fabric. Having felt that the fabric was just right I then discovered the virtues of the sofas it covered.

The sofas and chairs, by *Collis and Hayes, are very* simply and classically designed, and are very comfortable; but they have one great advantage —though they looked beautifully tailored and upholstered the covers are in fact loose and can therefore be removed and cleaned as often as you like.

I chose one three-seater sofa, one two-seater, both covered in the jungly green and white print, but the single chair I had covered in a plain matching toning green. Price of a single calico-covered chair starts from £123, a two-seater sofa starts from £191, a three-seater from £253. Loose-covers are extra and start at £65 for a low-backed chair.

I saw the room as more than just a sitting-room — I wanted it to be a retreat for the whole family, less formal than a drawing-room, more peaceful than a general living-room, so I allowed plenty of soft seats just for sitting, a table and chairs for informal eating, as well as a small writing-desk where perhaps the woman of the house will make out her lists and gain a moment or two to herself.

To complete the garden-room atmosphere, I decided on cane furniture. There is now a great deal of cane furniture in the shops to choose from, but in the end I decided to use mainly Qualicane because they offered *a particularly good range of the* sort I wanted. Their oval glass-topped dining-table is just what I could imagine for a family lunch or supper party. It is 64 inches long, 46 inches wide and 29 inches high and is covered with a 10 mm bronze glass top. It is £295.00. The chairs are £59 each and normally come covered with a brown seat pad—I had these covered with Osborne and Little's Willow fabric.

I loved the little two-drawer table—officially it is designated a dressing-table, for which purpose it would be admirable — but here I imagined it being used for a little gentle letter-writing: it's certainly not big enough for serious work. 39 by 19 by 27 inches, it is £115.00.

Any true retreat needs books, and dining-tables need shelves nearby so that bowls of fruit and platters of cheese have somewhere to rest upon, so I put in two free-standing Pieff *rattan and chrome shelving* units, fitted with smoked glass shelves. They each measure 4ft 3in high by 1ft 3in deep by 2ft 10in wide and cost £198.90.

Fleming Munroe provided a mobile drinks trolley (£68.50) and a corner shelf unit (£72.50) both in rattan, for holding plants, bottles, magazines and other paraphernalia.

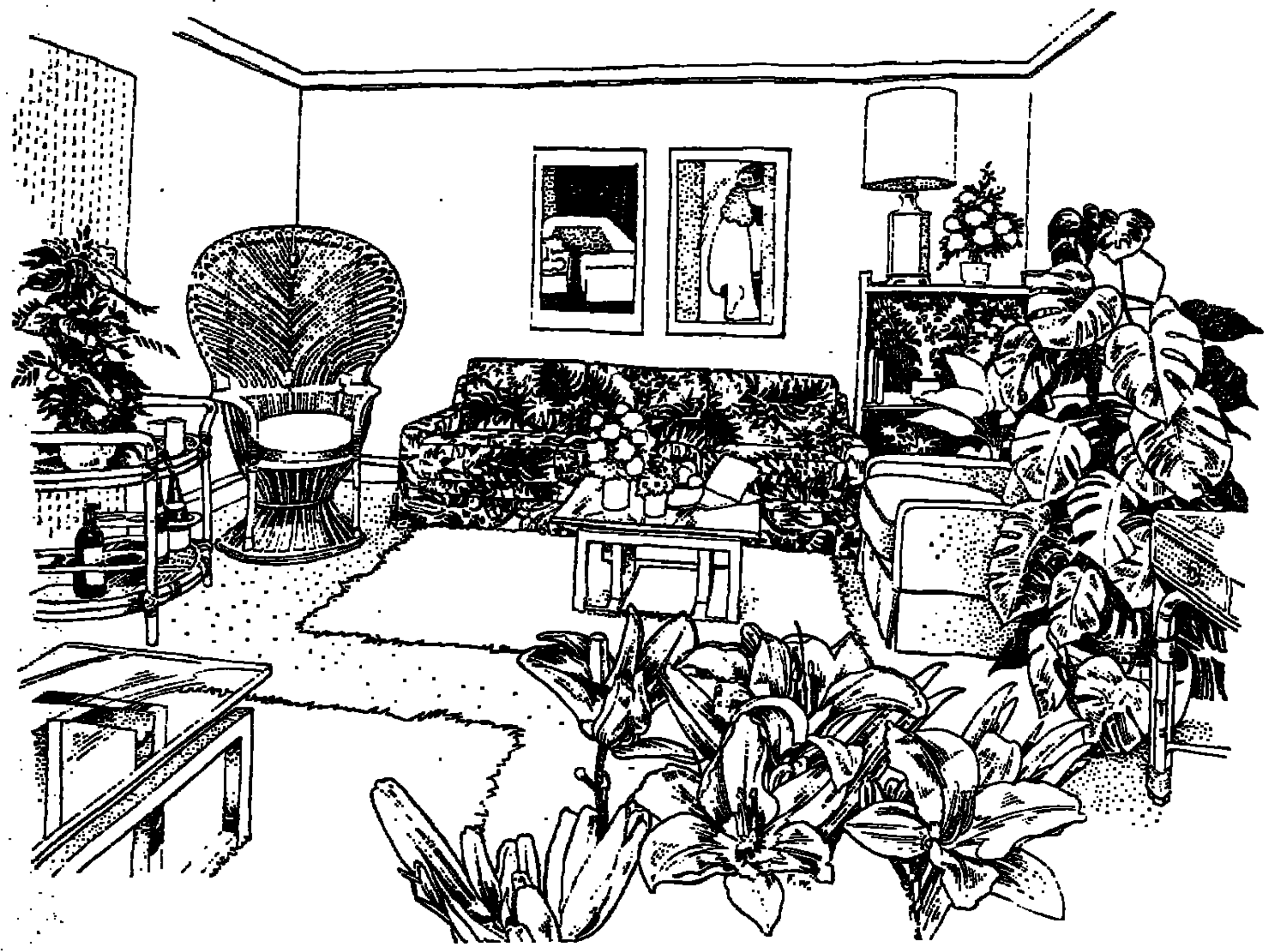
Two glass tables, again by Pieff in rattan and chrome, cost £198 and £185 respectively, and allow family and friends to have somewhere to put down their glasses, coffee cups or books. Rattan blinds were chosen to give the illusion of sunlight filtering through.

Now the room only needed finishing touches—masses of plants, of course, to give that really bower-like feeling. Wedgwood, Coalport, William Adams and Crown Staffordshire supplied a marvellous selection of cachepots to hold the plants. Burgess and Leigh supplied their lovely white embossed china for the dining-table.

Francis Kyle, who used to run an exciting gallery in Soho is now starting up his own gallery and supplied some beau*tifully framed prints by* Ann-Marie Le Quesne, who uses a very individual colour spectrum for her work — very bright, primary colours are juxtaposed in a startling, but refreshing way, so that colour is used rather in the way that a child might do it, but applied with the sophistication of an adult. These prints are all £45 each, ready framed, *and are available for the* moment directly from Francis Kyle at 93, Ashworth Mansions, Elgin Avenue, London, W9. From November 14 they will be in his new gallery at 9, Maddox Street, London, W1.

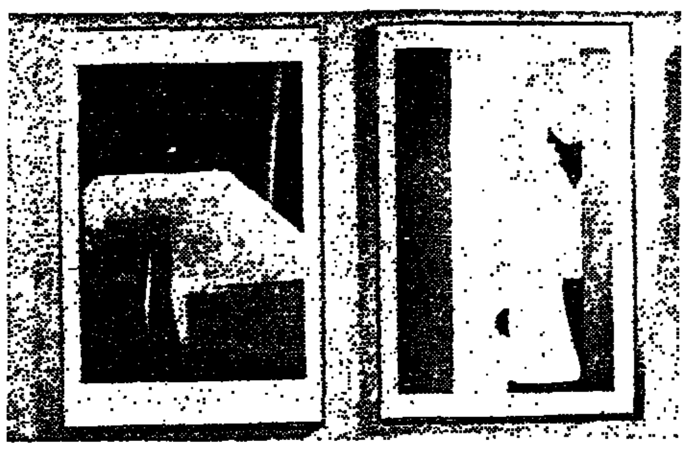
As to Maples itself, where the complete room may be seen, as well as many others by selected journalists (look out for Olive Sullivan's sophisticated living-room, and Valerie Jenkins' Victorian parlour in particular), it certainly offers as large a selection of furniture as you are likely to see anywhere.

Maples is not the place to go for a small, carefully edited selection of one person's exquisite taste—in other words it is the direct opposite of a shop like Aram Designs or Co-Existence. At Maples you will see everything, from the good, even the exciting, through to what I consider dull, pretentious and even vulgar, all cheek by jowl. By the time you have stalked its many acres you will be in need of a stiff drink but you'll certainly be a lot wiser about what is on the market and what your own tastes are.



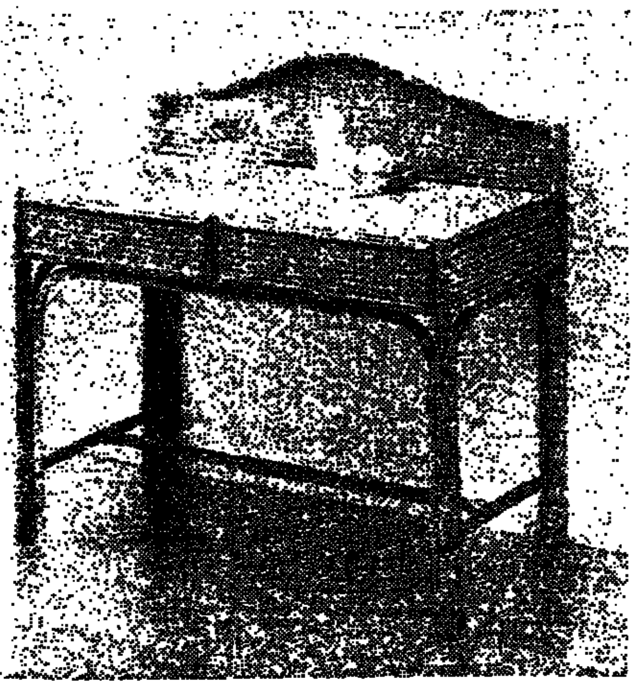
Photograph by Terry Kirk, drawing by Frank Wheeler

Above is a photograph showing the dining-end of my all-the-year-round summer room. It features cane furniture by Qualicane and Pieff. Right is a drawing of the main seating-area, with Collis and Hayes jungly fabric-covered sofa, Crossley's York carpet and the whole effect is softened by plenty of white Flokati rugs and green plants.



A photograph of two of Ann-Marie Le Quesne's stunningly cheerful prints from Francis Kyle. She will be one of the artists whose work he will be showing regularly at his new gallery at 9 Maddox Street, London W1.

A small section of Osborne and Little's Willow wallpaper



The small cane desk-cum-dressing-table from Qualicane

Mellow foods

BY PHILIPPA DAVENPORT

SUMMER is definitely over now. End of season tomatoes are being sold off cheaply. Pumpkins are appearing in the shops. So are fresh supplies of excellent young leeks, watercress, root vegetables, nuts and plenty of game. As the days grow shorter, my need to have my friends around me grows stronger. This is the time of year I like to have frequent, easily informal buffet supper parties; it helps to keep depressing thoughts of winter at bay.

SUGGESTED MENUS

Cheese aigrettes
Pigeon en gelée
Rice, green pepper and watercress salad
Pumpkin pie

Paella
Tomato and watercress salad
Nutcracker pudding

PIGEON EN GELEE

This is, in effect, a gamey but not too expensive version of brawn. Poach three pigeons, breast downwards, in a large pan with four pigs' trotters, the zest of two lemons, a sprig of thyme (preferably lemon thyme), the stalks from a bunch of parsley, two bayleaves, two dozen black peppercorns and enough water to cover generously.

When the pigeons are tender (this usually takes 1½-2 hours), lift them out of the pan with a slotted spoon. Cover the pan with the lid and let it continue simmering gently for a further 2-2½ hours to extract maximum flavour and gelatine from the trotters. As soon as the pigeons are cool enough to handle, skin and bone *them and discard any shot. Return the carcasses and skin to the* pan together with the juice of two lemons so they add their flavour to the stock.

Strain the stock, degrease, and reduce to about two pints. Season it generously with salt and add more lemon juice and pepper if wished. Strain the stock again and leave until quite cold and approaching setting point. It should be golden in colour and syrupy in texture.

Gently stir in the pigeon meat cut into slivers, together with 4-6 oz lean ham cut into matchstick strips and some coarsely chopped parsley. Turn the mixture into a three-pint wetted mould: a pudding basin will do, but better from a slicing point of view I think, is a 2 lb loaf tin. Cover and refrigerate until set firm. Unmould and garnish with olives. Served with a rice, green pepper and watercress salad (the dressing should be a mustardy vinaigrette), this is enough to serve 6-8.

NUTCRACKER PUDDING

Unmoulded puddings always make a handsome addition to a buffet table. This one is deliciously flavoured with hazelnuts, cinnamon and coffee, and it is very easy to make.

Toast 6 oz shelled hazelnuts, grind very coarsely (I use my meat mincer) and spice with cinnamon. Brush a 3½ pint pudding basin or deep soufflé dish with oil and dust with a little caster sugar. Beat five large egg yolks with 3 oz caster sugar until pale, creamy and thick; blend in the spiced nuts.

Whisk five large egg whites until very stiff, stir a tablespoonful or so into the nut mixture, then gently fold in the remaining egg whites. Turn into the prepared basin, cover with oiled and pleated foil, tie securely and steam for 50-60 minutes.

Cool, then chill the pudding very thoroughly—it will sink a little as it cools. Loosen with a palette knife and turn out on to a serving dish. Cover the pudding completely with half a pint of cream which has been flavoured with a little very strong black coffee, lightly sweetened with icing sugar and softly whipped. Decorate with a few whole hazelnuts.

Postscript

● Some readers may remember the How To Mend It series *I ran on this page some years* ago. It was highly popular at the time and I still get letters asking for old addresses. One of the most often asked for services is for someone to re-rush old seats. George Sneed Woodwork of Bacon's Barn, St. Michael, Bungay, Suffolk have just started a new service which may well be the answer to many people's prayers.

They have just launched what they describe as a nationwide re-rushing service. That is, they will collect the chairs, do all the repair work required (this may include repairs to the structure as well as the re-rushing) and then deliver them back when finished.

They say that they use the best rushes they can find and add some additional internal padding (of rushes) to give longer service. The charges for the rushing are fairly standard —seats up to about 14 ins by 14 ins cost £11 each. Estimates for extra repair work are given before the work is undertaken. Combined collection and delivery charges are £1 per seat for up to 50 miles, £2 per seat for between 50 miles and 150 miles and £3.50 for over 150 miles. But if you have more than six, they will be collected and delivered for the price of six chairs.

It normally takes about four weeks after collection for a chair to be redelivered and all collection and delivery dates are notified in advance.

● Many readers have, apparently, come to look out for Elizabeth David's annual autumn sale as a good way of buying some of their Christmas presents early—this way they not only get the shopping over before the rush starts but they also get high-quality presents at lower than normal prices.

This year Elizabeth David (for those who have not yet discovered the shop, it specialises in fine cookware at 46, Bourne Street, London, SW1) is starting its autumn sale on Monday and it runs until October 28; it is open every day except Sunday, from 9.30 to 5.30. There is also an efficient postal service.

Most things in the shop will be reduced but perhaps the biggest bargain of all is the set of Sabatier professional stainless steel knives and a steel for sharpening them on. A 4-in, 6-in, 8-in, and 10-in knife (plus the steel) normally sell for £24.78 but will now be sold for £16 (p and p £1.50 a set).

There are gratin dishes, white French porcelain ramikins, coffee bowls, casseroles—in fact all those interested in cooking should find something they either need or want.

ARTS

Tears, idle tears

Thackeray is much harder to do on radio than Dickens. Whereas Dickens, to put it crudely, was a great ham, Thackeray is a great tease. Dickens is playing the whole time for laughs, for tears: Thackeray seeks a wry smile or a sigh of assent. In *Vanity Fair* which was launched as the Sunday night drama serial this week (Radio 4, October 1), and introduced by Professor Philip Collins in *The Title is Such a Good One* (Radio 4, September 27), Thackeray intrudes constantly, interrupting the action just as it reaches a flash-point. He conditions our attitudes to it and his characters by the urbanity of his commentary. Ideally on radio

RADIO
ANTHONY CURTIS

the touch should be incomparably light and deft, the performances full of little miracles of timing, and all tendency to buffoonery should be resisted, if we are going to get the counterpart in radio terms to the experience of reading the book.

So far, to judge the show most unfairly by only one episode, this has not happened. The slapstick has been played up and the subtlety has been played down. Moreover Alec McCowen has got off to an unfortunate start as Thackeray by being brought in at all the wrong moments. The book, you remember, starts with a splendid piece of dramatic action, the joint departure of Amelia and Becky from Miss Pinkerton's Academy in Chiswick, and culminates in Becky's contemptuous flinging of her leaving present, Johnson's Dictionary, from the coach back in her teachers' faces (she must have had a jolly powerful throw). Only then does the author address us directly and not until some 700 pages later at the end of a very long novel does he bring out the image of the *puppet-show*. It is his parting irony: having shown us real people scarred by time he pretends they are merely puppets. On radio the adapter, Michael Kittermaster makes the puppet-show the main figure of the whole book and he gives Thackeray a long speech in this vein before we have had any dramatic action at all.

Another problem seems to be the two girls. I hate to say it but Sarah Badel and Petra Markham do sound terribly alike. Again to play Becky is fiendishly difficult because of all characters in fiction each of us probably has the clearest idea in our mind's eye what Becky Sharp sounds like and no actress will be able to compete. Early on the girls are taken by Joseph Sedley (Timothy West), George Osborne (Henry Knowles) and Dobbin (Sean Barrett) to Vauxhall Gardens. This was a clear *pretext* for an extended song-and-dance episode and I suppose one must allow the producer, David Spenser, a certain amount of jolly improvisation; all the same, it did go on for far too long without getting us anywhere.

"Come on," I can hear someone saying, "admit that in spite of all you've said that you enjoyed it." All right: I did, but my feeling is that I would have enjoyed it a lot more if it had been more respectful of the spirit of the book. Professor Collins's programme on the book which contained a most interesting account of its genesis and place as a watershed in Thackeray's life, as well as mentioning the possible models in real life for all the main characters, had led me somehow to believe that it would be respected. Still, there are nine more episodes before the puppets are finally put back in their box and I have time in which to be converted.

I am not suggesting that in adapting a classic for radio simply everything must be kept and no radical alterations of structure should be made. A good example of a successful adaptation came on the following evening in Maupassant's *Une Vie* turned into a radio play by Joan O'Connor as *A Life* (Radio 4, October 2) with Angela Pleasance as the heroine. Written some 40 years after *Vanity Fair* here is an account of how a vulnerable young woman was put through the hoops of life in Normandy much more remorselessly even than Beck Sharp. She suffers every conceivable humiliation from the infidelity of her husband with her maid to the complete alienation of her son. Even after the death of the mean brutish husband (David Buck) life does not improve nor is her craving for love satisfied. The piling on of misfortune (even though we were let off one miscarriage and the discovery of her own mother's adultery) was non-stop for nearly two hours. Somehow in Bernard Krichefski's disciplined production, with its well-controlled switching from interior to exterior settings and its horrific climax when the husband's love-caravan is pushed into the river, it was tear-jerkingly effective. Dickensian, perhaps, rather than Thackerayan.

CHESS SOLUTIONS

Solution of Position No. 236

1 . . . B x RP! 2 R x R, K-R3! and White resigned because of P-N4 mate.

Solution of Problem No. 236

1 B-R8. If 1 . . . B-K4; 2 B x B, N moves; 3 Q-KN2. If 1 . . . B-K8; 2 B-Q4 and 3 N-N6. If 1 . . . B x B; 2 Q-R1 (threat 3 Q-KR1), N-Q8; 3 Q x B.

Siegfried at Covent Garden

Richard Strauss, in a moment of youthful exuberance which he later greatly regretted, dismissed *Siegfried* in a letter as "abominable . . . It would turn rocks into scrambled eggs from fear of those hideous discords . . . the whole (expletive deleted) could be reduced to 100 bars, for it is always the same thing, and always equally tedious." I am no Wagnerite, but I confess that the *Siegfried* in the second of the current *Ring* cycles at Covent Garden was for me a wholly compelling musical experience. Whatever the wild alternations between tedium and sensation in Götz Friedrich's

OPERA
NICHOLAS KENYON

production, Colin Davis draws a line of studied understatement through the long evening, providing a bedrock of strong, vividly-coloured orchestral sound—always taut, never lax in its rhythmic shaping, cool yet powerfully unified — against which this solidly reliable cast project themselves with almost total confidence.

Berit Lindholm, the new Brünnhilde in this cycle (Gwyneth Jones returns for the Prom performances next week) was powerfully sustained in her greeting to the sun and nobly tender in her response to Siegfried's love, yet there was a dimension of subtlety missing—in this brief scene her transformation should be total — and a couple of moments of unexpected strain. As Siegfried, Jean Cox lost only at this point some of the effortlessly strong projection which had distinguished his singing throughout the evening: as a result, the climax of the opera failed to take fire as it should. But earlier, his solid, slightly dry voice seemed to encompass all the myriad emotions of the part with equal clarity, revealing an essential simplicity, even naivety, behind them.


Berit Lindholm

The perversities of Friedrich's production have been endlessly analysed, most recently and most vigorously by Peter Conrad in the *New Statesman*, who dismisses Friedrich's *Siegfried* as an "antic strip-cartoon" and his whole *Ring* as an "alienatory parody." Certainly Paul Crook's crisply-sung, puckish Mime, Biggles-like in his welding-goggles, is a strangely comic creation, continually at odds with his music; and Donald McIntyre's vocally statuesque Wotan a poor diminution of the part's stature. But that is only half the story: much of the action on stage is serious and compelling: the first two acts are sustained with little gimmickry from Svoboda's platform, and only in such extravagances as the overgrown Dalek with outboard motors provided for Fafner (Matti Salminen in authoritative voice) does the production overbalance itself.

The change from the claustrophobia of the forest to the brilliant light of the mountain top is, as Ronald Crichton noted last week, too violent for Wagner's good. Here, though is the essence of Friedrich's resolutely theatrical *Ring*: a sea of pale green ticker-tape is a forest, three fierce well-defined and distinguishable spotlights are a sun. The *Ring* happens, says Friedrich, on "the Stage of Covent Garden." Let those who have ears to hear occasionally close their eyes.

Simon Boccanegra in Glasgow

Simon Boccanegra, the first new production of the Scottish Opera Glasgow season, opened at the Theatre Royal on Wednesday. Of the Verdi operas between *Traviata* and *Don Carlos*, it is at least arguable that *Boccanegra* offers an adventurous company the greatest rewards, but at the same time presents it with the greatest difficulties. On Wednesday one was conscious more of difficulties faced than of rewards garnered. The performance was not without virtues (and, owing

OPERA
MAX LOPPERT

to the illness of both the soprano and conductor originally announced, was an achievement of some valour in the circumstances): but its weaknesses were discovered in just those areas where a *Boccanegra* demands to be strong.

To put it bluntly, most of the singing was undistinguished. It is not within the Scottish opera budget to field the Gobbi-Christoff type of cast implied by the cut of the vocal lines and the character of the drama. Yet, in a theatre like the Theatre Royal, where the sound carries with such easy resonance, and where the stage communicates so intimately with the house, one could imagine a different kind of *Boccanegra* performance succeeding—one in which, by quickness of response rather than by stern magnificence of manner, and by vividness of vocal detail and inflection rather than by vocal grandeur and weight, the issues of drama patterned by Verdi, Piave, and Boito, were cogently presented.

With one exception, the Scottish Opera singers have so far achieved neither kind of *Boccanegra*. Peter Ebert's production, tentative and anonymous except where (as in the Prologue) it came up with some foolish small touches, was presumably not great inspiration; even so, there was for the most part a signal lack of natural vitality on stage. Robert Lloyd, whose beautifully defined bass rang out with absolute steadiness and clarity in Fiesco's music (making a wonderful sound in the falling semitonal phrase, "Delle faci festanti al barlume," of the last act), was alone in giving a performance that crossed the footlights, both vocally and dramatically.

In the title role Jan Derksen showed an only routine command of the stage, and little of the strength or colour of timbre required to dominate the Council Chamber scene. After a muffled, shaky start, the soft-grained instrument of the Dutch baritone came into slightly better focus, and managed some sympathetic moments in the duets with Amelia, but these had to be set against a general blankness of personality. One felt that he had listened closely to the old HMV recording; *some of* Gobbi's unique nuances were reproduced —in a vacuum, as it were, without any of the genius that fired them.

Linda Esther Gray having had to withdraw, the role of Amelia fell at a late stage to the Rumanian soprano Gabriela Cegoleà. At once a slight, attractive figure and a nervous, blank actress, she reflected these qualities in her singing, nice intentions being all too often vitiated by uneven vocalisation. Slack of posture and rough of voice, Allen Cathcart was a sadly weak Adorno; the long, difficult sequences of the second act dependent on his youthful ardour and intensity fell flat one after the other. Malcolm Donnelly, a rugged, forceful Paolo, tended to substitute bluster for precise pitching of the notes. In this fault he was by no means alone on stage.

The consolation of the evening was the sound of the orchestra, a noble, deep-toned sound that "explained" the special character of the opera where elsewhere (notably the designs of Peter Rice, light and trivial in a toytown manner at odds with the music) it seemed only partly comprehended. *Simon Boccanegra* is a "dark brown" opera, refreshed by touches of Genoese sea breeze, whose richness of viola and cello textures and melancholy splendour of trombones and horns are flattered by the acoustics of the Theatre Royal. It was a virtue of Henry Lewis's conducting that the slow dwell of the Verdi orchestra was appreciated and conveyed. Mr. Lewis was not yet on close terms with his cast—he had only recently taken over from Lawrence Foster—and tempos seemed sometimes arbitrary, ensemble precarious; already the choral singing was full and confident. The opera was given in very variable Italian; a bouquet to the Glasgow audience for remaining so quiet and attentive throughout, and for letting a quiet curtain fall reach its close uninterrupted by applause. When has that last happened in London?

Ibsen in Manchester

For his production of *The Lady from the Sea*, Michael Elliott has filled the circular stage of the Royal Exchange, Manchester, with a shallow pool of water, into which his designer, Laurie Dennett, has dropped a clutter of rough rocks and two wooden landing-stages. Too much of water hast thou: we lose something of the feeling that we are *here*, on solid ground, with only the rotten bathing in the fjord available to hydrophiles, while the sea is *there*, far away, with its magnetic pull on poor Ellida, the stranded girl from the lighthouse.

The tale of Ellida and her demon-lover (based on stories

THEATRE
B. A. YOUNG

that Ibsen heard on one of his rare visits to Norway) is really a melodramatic lubricant to what is a didactic piece about the retention of wives' freedom after marriage, a theme given a parallel but comic treatment in the relationship between Ellida's *stepdaughter Hilde and the* phthisic sculptor Lynstrand. Vanessa Redgrave, taking advantage of the theatre's usful acoustics, keeps Ellida low-toned most of the way through the evening, projecting her with immensely subtle quiet. Her mystic obsession with the sea is imaginatively suggested by a sound-track of the songs of whales, creatures that live only in the sea and must perish if they come ashore.

When her lover reappears to claim her, Miss Redgrave still keeps her performance restrained, her surrender to the mystic forces pathetic rather than passionate, her return to her husband and his family like the awakening from a nightmare.

Michael Byrne plays the lover in rough seaman's clothes, just what Ibsen didn't want. "He does not belong to the ship's crew," he wrote to Hoffory, his German translator. "He is dressed as a casual tourist . . . no one is supposed to know what he is, just as no one is supposed to know *who* he is." In this production we know at once, and a vital moment's uncertainty is lost.

Ellida's return to Wangel, her husband, is marked by an outbreak of universal delight that is uncommonly moving. Wangel is played by Graham Crowden almost in the similitude of Charles Pooter, a man of infinite kindliness with little understanding of what falls outside ordinary daily experience, and to see him actually dancing with his restored wife is a moment of true joy.

What could have happened afterwards to such a marriage is another matter. We know what happened to Hilde, the younger daughter; she forgot her nice sculptor (Christopher Good) and wrecked the life of Solness the master-builder, and if she were still as charming a girl as Lynsey Baxter makes her in this production, it was a world well lost for love. The elder daughter Bolette (Sherrie Hewson) doubtless passed her days as the wife of her former tutor Arnholm (John Franklyn-Robbins) at concerts and theatres and on cruise-liners like the ship that brought Ellida's mystery man back to her, increasingly maternal and intellectual.

The story is made so plain, even so likely, in this pellucid production that such speculation arises, and quite rightly. It would be wrong to believe that a play which examines three potentially unstable marriages based on male chauvinism is really concluded by a moment's rejoicing over a single happy event.

THEATRES THIS WEEK . . . AND NEXT

BUSH—The Transfiguration of Benno Blimpie. Interesting play by a young American about a fat boy with unrealised artistic talent. Reviewed Tuesday/Wednesday.

THEATRE UPSTAIRS — Night Fall. Incomprehensible but sometimes pretty rituals apparently about fertility. Reviewed Wednesday/Thursday.

ROUND HOUSE—Future Shock. Energy outruns achievement in a satirical play with rock songs. Reviewed Wednesday/Thursday.

VAUDEVILLE — An Evening with Dave Allen. An evening with Dave Allen. Reviewed Thursday/Friday.

. . . and next

Two revivals on Monday: at the Haymarket, the Coward-Feydeau *Look After Lulu* comes in from Chichester, and at the Cottesloe David Mamet's *American Buffalo* plays a second innings. On Tuesday, the long-awaited Peter Brook *Antony and Cleopatra* at Stratford-upon-Avon; also at Stratford, *Piaf* opens the following day at The Other Place. On Thursday, Wesker's *The Merchant* has its British premiere at the Birmingham Rep. Joint Stock defy the stars and open *The Ragged-trousered Philanthropists* at the Riverside Studios, Hammersmith, on Friday the 13th. Meanwhile the Dublin Theatre Festival passes into its second week.

TV/Radio

† Indicates programme in black and white

BBC 1

9.05 am Cut and Thrust. 9.30 Multi-Coloured Swap Shop
12.30 pm Grandstand: Football Focus (12.35); World Volleyball Championships (1.00); Racing from Chepstow (1.20, 1.50, 2.20); Boxing (1.40) Alan Richardson v Les Pickett; Motor Racing from Brands Hatch (2.40, 3.25); Show Jumping (2.55) The Horse of the Year Show; Rugby League (3.50) Forshaws Lancashire Cup Final: Widnes v Workington; 4.40 Final Score.
5.10 News.
5.20 Sport/Regional News
5.25 Noel Edmonds' Lucky Numbers.
6.20 Dr. Who.
6.45 Larry Grayson's Generation Game.
7.40 All Creatures Great and Small.
8.30 Little and Large.
9.05 Horse of the Year Show.
10.20 News.
10.30 Match of the Day.
11.15 Parkinson.

All Regions as BBC-1 except at the following times:

Wales—8.45 am Cut and Thrust. 9.10-9.30 Wir i Chi. 5.20-5.25 pm Sport/News for Wales. 12.15 am News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 5.20-5.25 Scoreboard. 10.30-11.15 Sportscene. 12.15 am News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 5.20-5.25 Northern Ireland News. 12.15 am News and Weather for Northern Ireland.

BBC 2

8.05-8.30; 9.20-12.15 pm and 1.05-1.30 Open University.
2.55 Saturday Cinema: "Gallant Bess."
4.30 Horizon.
5.25 Play Sport.
5.50 Network: From BBC North East: Manny—Lord Shinwell in conversation.
6.20 The Old Grey Whistle Test.
7.00 News and Sport.
7.15 My Music.
7.40 In Performance: Brahms' Ein Deutsches Requiem (simultaneous with Radio 3 stereo).
†9.05 Francois Truffaut Season: "L'Enfant Sauvage" starring François Truffaut.
10.25 Real Live Audience by Nigel Williams, with John Fortune.
10.55 Tennis: Davis Cup semi-final: Great Britain v Australia (highlights).
11.40 News on 2.
†11.45 Midnight Movie: "Body and Soul," starring John Garfield.

LONDON

8.50 am The Saturday Banana with Bill Oddie, part 1. 9.00 Sesame Street. 9.45 The Saturday Banana, part 2. 10.15 The Monkees. 10.45 The Saturday Banana, part 3. 11.30 The Fantastic Four.
12.00 World of Sport: 12.05 pm Headline; 1.15 News from ITN; 1.20 The ITV Six—1.30, 2.00 and 2.35 from Haydock; 1.45, 2.20 and 3.00 from Newmarket; 3.10 International Sports Special: Golf—The Dunlop Masters from Chepstow; 3.50 Half-time Soccer Round-up; 4.00 International Sports Special, part 2: Golf—Dunlop Masters; 4.50 Results Service.
5.05 News from ITN.
5.15 Cartoon Time.
5.30 Happy Days.
6.00 Mind Your Language.
6.30 The Incredible Hulk.
7.25 Bruce Forsyth's Big Night.
9.15 The Professionals.
10.15 News.
10.30 "Deliverance": starring Jon Voight and Burt Reynolds.
12.30 am Saturday Night People.
1.15 am Close . . . with a Russian painting and musical background by Borodin.

All IBA Regions as London except at the following times:

ANGLIA

9.00 am Cartoon Time. 9.15 The Bubblies. 9.20 The Next Week Show. 11.30 The Woody Woodpecker Show. 5.15 pm How The West Was Won 6.55 Mind Your Language. 12.30 am At The End Of The Day.

ATV

9.10 am Home Produced 9.35 Focus On Soccer. 10.05 The Lost Islands. 10.30 Tiswas. 5.15 pm Spiderman. 5.30 The Bionic Woman. 6.25 Dr. On The Go. 6.55 Mind Your Language.

BORDER

11.30 am The Beachcombers 5.15 pm How The West Was Won. 6.55 Mind Your Language.

CHANNEL

11.00 am Puffin's Pla(i)ce 5.15 pm Cartoontime. 5.30 The Life and Times of *Grizzly Adams*. 6.30 *Happy Days*. 6.55 Mind Your Language.

GRAMPIAN

8.50 am Scene on Saturday, including Birthday Greetings and Secret Lives of Waldo Kitty. 9.30 Sesame Street. 10.30 The Beechcombers. 11.00 Tarzan. 5.15 pm How The West Was Won, followed by area weather forecast. Highland League and Shinty Results. 6.55 Mind Your Language.

GRANADA

9.20 am Focus on Soccer 9.45 Sesame Street †10.45 Saturday Matinee Laurel and Hardy in "Air Raid Wardens." 5.15 pm How The West Was Won 6.55 Mind Your Language 12.30 am George Hamilton IV. 1.00 Wildlife Cinema.

HTV

9.00 am Doctor! 9.30 Ten On Saturday. 9.45 Lassie. 10.15 Batman. 10.30 Tiswas. 11.00 Batman (continued). 11.15 Pop Spot. 11.20 Star Maidens. 11.50 Ten On Saturday. 5.15 pm How The West Was Won. 6.55 Mind Your Language.

HTV Cymru Wales—As HTV General Service except: 6.55-7.25 pm Sion A Sian.

SCOTTISH

9.00 am Clue Club. 11.30 Adventures In Rainbow Country. 5.15 pm How The West Was Won. 6.55 Mind Your Language. 12.30 am Late Call.

SOUTHERN

9.00 am Tarzan. 11.30 Logan's Run. 11.57 Regional Weather Forecast. 5.15 pm How The West Was Won 6.55 Mind Your Language. 12.30 am Southern News.

TYNE TEES

9.00 am Lyn's Look-in. 9.05 The Six Million Dollar Man. 9.55 Lyn's Look-in. 10.05 Saturday Morning Film: "Island of the Lost," starring Richard Greene. 11.45 Lyn's Look-in 5.15 pm How The West Was Won 6.55 Mind Your Language. 12.30 am Epilogue.

ULSTER

10.00 am Tarzan. 11.00 Sesame Street. 5.00 pm Sports Results 5.15 How The West Was Won. 6.55 Mind Your Language.

WESTWARD

9.00 am Cartoontime. 9.25 Survival. 9.50 Saturday Morning Picture Show: "The Grizzly and The Treasure." 11.20 Look and See. 11.30 Focus on Soccer. 11.55 Gus Honeybun's Birthdays. 5.15 pm Cartoontime. 5.30 The Life and Times of Grizzly Adams. 6.30 Happy Days. 6.55 Mind Your Language. 12.30 am Faith For Life.

YORKSHIRE

9.00 am The Amazing Chan and the Chan Clan. 9.20 Space Ghost and Dino Boy. 10.15 The Paper Lads. 11.30 The Beachcombers. 5.15 pm How The West Was Won. 6.55 Mind Your Language.

RADIO 1 247m

(S) Stereophonic broadcast.
‡ Medium Wave.

5.00 am As Radio 2. 8.06 Ed Stewart with Junior Choice (S). 10.00 Peter Powell. 1.31 pm Rock On (S). 2.30 Paul Gambaccini (S). 5.31 It's Rock 'n' Roll (S). 6.30 In Concert (S). 7.30 As Radio 2. 8.45 As VHF. 11.00-2.02 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 8.06 With Radio 1. 10.00 With Radio 2. 1.30 pm With Radio 1. 7.30 With Radio 2. 8.45 *Don Lusher Big Band* in Band Parade (S). 9.30 Saturday Night With The BBC Radio Orchestra (S). 11.00-2.02 am With Radio 2.

RADIO 2 1,500m and VHF

5.00 am News Summary. 5.02 Tom Edwards (S), including 8.03 Racing Bulletin 8.06 As Radio 1 10.02 Tony Brandon (S). 12.02 pm Two's Best (S). 1.02 The Cheeky Chappie: Two-part profile of Max Miller. 1.30-5.55 Sport On 2: Football League (1.30, 2.25, 3.05, 3.45, 4.42); Golf (1.30, 2.00, 2.25, 3.05, 4.50) Dunlop Masters Tournament; Tennis (1.30, 2.00, 3.00) Preview of tonight's Davis Cup Inter-Zone match; Racing from Newmarket (1.20, 2.15, 2.50, 3.30); Equestrianism (1.30, 2.00, 2.25, 3.05, 4.30) The Horse of the Year Show: plus Rugby Union—North Midlands v Argentine; Motor Racing—news of the practice for the Canadian Grand Prix. 5.00 Sports Report: Classified Football checks at 5.00 and 5.45; Classified Racing checks at 4.50; Rugby Round-up 5.25; Motor Sport 5.30. 6.03 Europe 78: The Irish Music Scene. 7.02 Beat the record. 7.30 Radio 2 Top Tunes (S). 8.02 National Brass Band Championships of Great Britain (S). 8.45 Sport On 2 Special. 10.30 Saturday Night With The BBC Radio Orchestra (S) join VHF. 11.02 Sports Desk. 11.10 Peter Wheeler with The Late Show (S), including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3 464m, Stereo & VHF

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review, including Building a Library (S). 10.15 Stereo Release (S). 11.15 BBC Symphony Orchestra: Beethoven, Schubert (S). 1.00 pm News. 1.05 Heritage. 1.20 Annie Fischer piano recital (S) 2.15 Woman of Action: Sheila Kitzinger chooses records (S). 3.30 English Chamber Orchestra concert, part 1 (S). 4.05 Interval Reading. 4.10 Concert, part 2. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Bernard Herrmann (S). 7.20 The Garden in October. 7.40 Brahm's German Requiem (S) (simultaneous with BBC-2 television). 9.05 Haydn, Mozart and Authenticity (S). 10.10 Rousseau, Composer-Philosopher (talk by Gerard Victory). 10.55 Sounds Interesting (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song.

Radio 3 VHF only—6.40-8.00 am Open University.

RADIO 4

434m, 330m, 285m and VHF

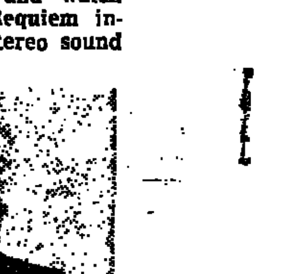
6.30 am News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather: programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather: programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 A City Walk. 9.00 News. 9.05 International Assignment. 9.30 Conference Special: The Labour Party (report). 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week. 11.20 Time For Verse. 11.30 Wildlife. 11.55 Spiegl on Saturday with Fritz Spiegl. 12.00 News. 12.02 pm A Bar For Nothing with Johnny Morris (S). 12.27 The Jason Explanation of Education (S). 12.55 Weather; programme news. 1.00 News. 1.15 Any Questions? 2.00 Bookshelf. 2.30 Saturday-night Theatre. 3.30 Does He Take Sugar? 4.00 Landlord or Tenant? 4.45 Enquire Within. 5.00 Kaleidoscope Encore. 5.30 Week Ending (S). 5.55 Weather: programme news. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop the Week with Robert Robinson. 7.30 These You Have Loved (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 A Word In Edgeways. 11.00 Lighten Our Darkness. 11.15 News. 11.33 The Unforgettables.

WEEKEND CHOICE

This weekend is, in the nasty jargon of one television executive, "crunch time" for the autumn schedules. Presumably he means that it is the first weekend when ITV's new Saturday night schedule competes with the BBC's which has proved so superior in recent years. It is not, as one might imagine from all the publicity, a straight fight between Bruce Forsyth's Big Night on ITV and The Generation Game on BBC 1 (which Larry Grayson has taken over from Forsyth). Starting times don't coincide.

The crucial consideration, I suspect, will come earlier when the children decide whether to switch on Dr. Who on BBC 1 at 6.20 or wait 10 minutes for The Incredible Hulk on ITV.

Thereafter it is really a question of whether Forsyth can tempt the ladies (and gentlemen, perhaps) away from the ratings-winning All Creatures Great And Small. Call a plague on both their houses and watch BBC 2's German Requiem instead (7.40) with stereo sound on Radio 3.—CD.


Forsyth: ITV coup

TV RATINGS
w/e Oct. 1

UK Top 20 (Homes viewing m)

1	All Creatures (BBC)	15.85
2	3.2.1. (Yorks)	15.50
3	Generation Game (BBC)	15.50
4	Coronation Street (Mon.) (Gran.)	15.35
5	Robin's Nest (Thames)	15.00
6	Sweeney (Thames)	14.35
7	Star Games (Thames)	14.05
7	George and Mildred (Thames)	14.05
9	Little and Large (BBC)	13.85
10	Mastermind (BBC)	13.60
11	Starsky and Hutch (BBC)	13.50
12	Crossroads (Thurs.) (ATV)	13.50
13	Krypton Factor (Granada)	12.95
14	Rag Trade (LWT)	12.90
15	Coronation Street (Wed.) (Gran.)	12.85
16	Crossroads (Tues.) (ATV)	12.65
17	Crossroads (Wed.) (ATV)	12.55
18	Selwyn (Yorks.)	12.25
19	Lillie (LWT)	12.15
20	Cooper (Thames)	12.00
20	The Saint (ATV)	12.00

Figures compiled by Audits of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. Top Ten (Nielsen Ratings)

1	Three's Company (comedy) (ABC)	30.0
2	Laverne & Shirley (comedy) (ABC)	29.8
3	Happy Days (comedy) (ABC)	28.1
4	M.A.S.H. (comedy) (CBS)	27.1
5	Battlestar Galactica (sci-fi) (ABC)	26.9
6	Charlie's Angels (drama) (ABC)	26.6
7	Little House on the Prairie (drama) (NBC)	26.4
8	Mork and Mindy (comedy) (ABC)	25.4
9	Barney Miller (comedy) (ABC)	25.0
10	Taxi (comedy) (ABC)	24.7

A Nielsen rating is not a numerical total.

ARTS/COLLECTING

Beside the Seaside

M LAUGHTON'S parents ran Victoria Hotel in Scar- ough, and afterwards the ilion. Tom was the middle of three. His older brother rles was sent into hotel k but broke loose to go on stage, and established him- in a career that has become art of theatrical history. Tom Frank also duly went into hotel business. When at the of 55 their father died sud- ly. Tom Laughton found self in charge. That was in 4. "Young Tommy," as had been known to the staff. ame "Mr Tom." With plenty upport from mother, a keen nolic, and a loyal crew, he ime an expert hotelier. He nt to recognise a good side beef at the market and eloped a nose for vintage gundy and claret. He also artistic tastes and put these practice in the interior ration of the hotel some- s buying the odd picture for self when he had any spare which at this time was not n.

owever by 1935 he was able to negotiate a substantial loan that enabled him to purchase a hotel of much bigger scope in a commanding position on the sea-front, the Royal Hotel. His flair for design; his culinary expertise, and his desire that his customers should have easy access to him as their proprietor soon made the Royal one of the leading hotels in the North of England to which gratified guests returned again and again. A particular triumph was the Sitwell suite in which Sir Osbert himself once stayed and indicated his approval.

The Royal Hotel still exists in Scarborough. I happened to stay there myself one wet week- end in the summer. It is no longer owned by Mr. Laughton and his fine art collection, as it became, has gone, but there are still traces of his long and glorious reign: the sweeping curves of the double stairway in the entrance hall, the huge bow-fronted ballroom, the pro- fusion of bars with glittering mirrors and padded plushy counters. Nor has the hotel been abandoned by the theatre. I noted Mr. Danny La Rue hold- ing court in the lounge in a chaste grey suit on Sunday even- ing. When a little girl in a party frock, her head hardly higher than the champagne bucket, approached him with an open autograph album I felt that something of the Laughton touch still survived.

When he retired Mr. Laughton went to live in Antibes where he wrote his memoirs after some friendly prodding from Graham Greene. He called them *Pavilions By The Sea* and they first appeared as a hard- back last year; now they have reappeared in paperback (Robin Clark, £1.50). I recommend the book as a fascinating four-star read, not only for the insights it gives into the hotel trade in the days before the inter- national tourist explosion hit us, but also for its picture of the author as a connoisseur of wine, food and contemporary painting, as a fisherman for trout, salmon, and tunny, as a lover of France and Scotland, as a wartime army catering chief . . . and if that were not enough for one lifetime he now turns out to be a natural writer. Some people have it all.

The world first discovered that Enid Bagnold was a natural writer in 1918 when at 29 she published. *A Diary Without Dates*, an account of her work as a VAD nurse at the Royal Herbert Hospital in Woolwich where she had gone at the out- break of the war in 1914. The short book with its poignant and perceptive glimpses of the harrowing life of the wards, the men she tended, and the regular nursing sisters she helped, has shamefully been allowed to languish out of print for far too long: now it has been resuscitated in paperback by Virago at £1.50. It is well worth reading as a feminine footnote to the more famous recollections of life at the Front by Blunden, Graves and others.

In her Autobiography (1969) Enid Bagnold tells how she kept this Diary for her private perusal. It was her friend Antoine Bibesco to whom she showed it who suggested she try to get it published. She then sent it to William Heine- mann who met her, said he liked it, and published it. As a result the Daily Mail carried a leader on the unfeelingness of hospital routine: within half- an-hour the author was sum- moned to the Matron's office at the Hospital and given the sack.

PAPERBACKS

ANTHONY CURTIS

Tom Laughton and friend

CHESS

LEONARD BARDEN

AND'S DRAMATIC victory e inaugural world youth ionships in Mexico City was irst win in a world team and a shock to the Soviet who were hot favourites. a result highlights a fact nown to international chess entators, though ignored by neral media here: that the British players are the t advancing group in world and could prove the chief to the Soviet Union in the 1980s.

land won all nine matches final. These included a win over Cuba, where the Government sponsors an l grandmaster tournament nances its young players to for experience in overseas events; a 2½-1½ success over the U.S., whose chess federation has five times as many members as the BCF and whose team con- sists of young professionals try- ing to become the next Fischer; and, in the decisive match, a 3-1 victory over the Soviet Union which has some 15,000 full-time chess coaches against Britain's none.

Mestel and Speelman drew with the Soviet grandmasters Belyav- sky and Kochiev, Taulbut defeated Mikhailchishin, whose grandmaster title will be con- firmed this month: and Goodman beat A. Ivanov. Scores in the final were England 26½ out of 36, USSR 25½, Cuba 24½, U.S. 22½, Brazil 17½, Canada 15½, Colombia 15, Mexico 13, Australia 12 and Scotland 8. Outclassed in the final, Scotland still did well to qualify.

The England players went to Mexico with the help of a grant from the Department of Edu- cation and Science, and additional support from the Aaronson Chess Foundation, the Friends of Chess, the British Chess Educational Trust, Oxford and Cambridge colleges, and the Slater Foundation. International team play is one of the few areas where Government support for chess is adequate, although even here the DES grants only two- thirds of the air travel cost com- pared with 75 per cent for teams financed via the Sports Council.

If there was one game which swung the battle for the gold medals, it was this week's win where Taulbut's fine play earned a valuable point and pressurised the Russians for the rest of the tournament.

White: S. M. Taulbut (England). Black: A. Mikhail- chishin (USSR). Opening: Ruy Lopez (World Youth Champion- ship, Mexico 1978).

The opening moves were 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-QR3; 4 B-R4, N-B3; 5 O-O, B-K2; 6 R-K1, P-Q3; 7 BxN ch, PxB; 8 P-Q4, PxP; 9 NxP, B-Q2; 10 N-QB3, O-O; 11 Q-B3, R-N1.

12 R-N1, R-N3; 13 P-KR3, P-N3; 14 N-N3, N-R4; 15 B-K3, R-N1; 16 P-K5! Not only gaining space, but already preparing to group his pieces for a decisive attack on the weakened dark squares round Black's king.

16 ..PxP (better P-Q4); 17 B-R6, R-K1; 18 RxP (threatens 19 RxN! while if 18 ..B-B3 White swaps rooks and keeps up the pressure), N-N2; 19 R-Q1, N-K3 (Black is completely tied up, while the White rooks control the centre files); 20 N-K4, R-N4; 21 RxN!

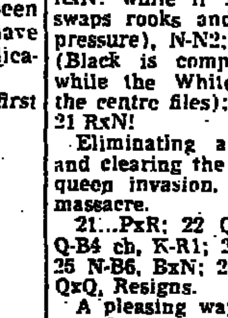
Eliminating a key defender, and clearing the diagonals for a queen invasion. The rest is a massacre.

21...PxR; 22 Q-QB3, P-K4; 23 Q-B4 ch, K-R1; 24 Q-B7, R-KN1; 25 N-B6, BxN; 26 RxB, QxR; 27 QxQ, Resigns.

A pleasing way to win a gold medal.

POSITION No. 236

BLACK (8 men)

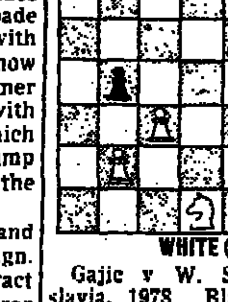


WHITE (8 men)

Gajic v W. Schmidt, Yugo- slavia, 1978. Black (to move) has got the white king stranded; there is more than one way to win but Black, a grandmaster, found the most precise. How did the game finish?

PROBLEM No. 236

BLACK (6 men)



WHITE (5 men)

White mates in three moves at latest, against any defence (by Dr. A. Kraemer, Kohtz Memorial- 143).

Solution Page 14

BRIDGE

E. P. C. COTTER

HANDS require the most e timing if the contract is *fulfilled*, others depend some entirely fortuitous of circumstances, as we e from two deals which ed at rubber bridge. Let ok first at the hand in the declarer enjoyed fortune:

N.
♠ Q 10 7 6
♡ A 9 4 2
◇ 9 7 5
♣ K 10

E.
♠ 8 3 2
♡ K
◇ K Q 6 3
♣ J 7 4 3 2

W. (partly cut off)
... 8 7 3
... 8
... 0 6 5

S.
♠ A K J 9 5
♡ Q 6 5
◇ 10 4 2
♣ A 8

th dealt at a love score pened the bidding with ade, North raised to three and South went four. cannot criticise North's spades—we would all the same bid—but t tells me that the double is a slight overbid.

t had to find a lead, and d that the singleton or a lead from either suit would be dangerous ically, any of these three would have been tly safe—so he chose a Again, the seven would been safe, but West d to start with the Knave, top of an imperfect ce. In nine cases out of s would have been all but let us see what ed.

declarer concluded that ly chance of avoiding was to find East with the on King of hearts, so he dummy's Ace, dropping ng. He drew trumps in rounds, cashed the Ace ing of clubs, and cut with a diamond. defence could take three n the suit, but whichever defender won the third diamond would be endplayed. East would have to give a ruff discard, West could choose between the ruff discard and a heart lead into the declarer's split tenace.

Had West's opening lead been a low heart, he would not have found himself in this predica- ment.

All four players were *first* class in this deal:

N.
♠ K 7 4
♡ 8 2
◇ 9 4 3
♣ A K 10 5 3

W.
♠ 5 3
♡ Q J 10 6 5
◇ K Q 2
♣ Q 6 4

E.
♠ Q J 2
♡ K 7 3
◇ 7 6 5
♣ J 9 8 2

S.
♠ A 10 9 8 6
♡ A 9 4
◇ A J 10 8
♣ 7

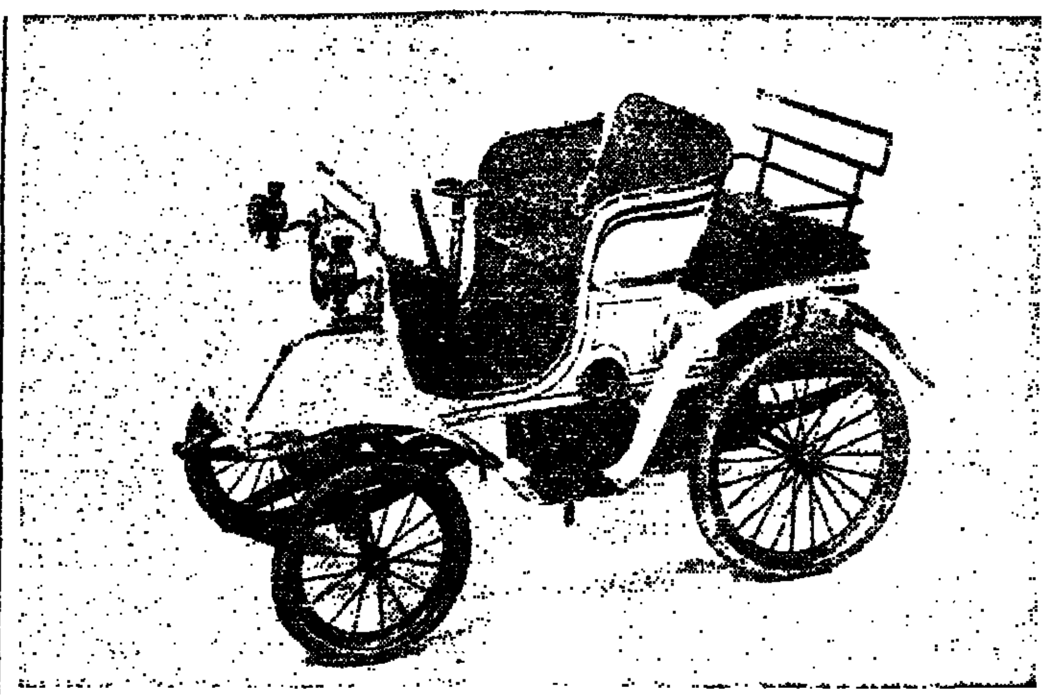
South dealt with both sides vulnerable and bid one spade to which North replied with two clubs. The opener now rebid two diamonds, his partner gave jump preference with three spades, a bid which promises only three-card trump support, and South bid the game in spades.

West led the heart Queen, and South planned his campaign. This is the type of contract which the average declarer never makes, because he fails to appreciate the precision play which is absolutely vital.

East covered the Queen with his King, and South ducked. This hold-up is obligatory. Without it, he will be forced to ruff a heart before it is convenient.

East switched at trick two to the six of diamonds, and South's Knave lost to the Queen. Taking the heart continuation, the declarer cashed the club Ace, ruffed a club, and followed with Ace and King of trumps. A diamond was discarded on the club King, and another club was ruffed.

Now at the right moment South ruffed his losing heart on the table, and led the estab- lished ten of clubs, discarding his last diamond from hand. Whether East ruffed or discarded, the contract was delivered.



The Bing Benz: small is beautiful

Some early models

COLLECTING

JANET MARSH

The horseless carriage was a practical reality in the 1880s, and by the '90s the automobile was an established industrial product. Cars were included in the 1896 Paris Salon de Cycle, and the first European motor shows followed the next year. The Royal Automobile Club was established in 1897.

With such a craze for motor- ing, it is surprising that it took the toymakers of Europe and America so long to get round to making toy motor-cars. The reason for their apparent tardi- ness may have been that auto- mobiles remained outside the immediate experience of most ordinary children: and children tend to prefer the familiar to the novel in their model play- things.

Mr. David Pressland, whose recent *The Art of the Tin Joy* has become the authority on the subject, dates the history of toy cars back to 1900 when the firm of Marklin introduced them into its catalogue. I can, how- ever, contribute a new piece of evidence which places the earliest tin toy motor-car in Paris in January 1899. A throw- away sheet of *Nouvelles Scien- tifiques* issued by the French magazine *La Nature* on January 19, 1899, published a picture of a rather primitive "Fiacre Automobile de 1899" which it said was already on sale in Parisian toyshops. The writer regretted only that the toy had not been available in time for the 1899 New Year holiday.

A simple toy of pressed metal, the car had rubber tyres and a rather two-dimensional driver perched up on the front. It was driven by a twisted rubber band — a means of propulsion which does not seem to have achieved general favour among the first makers of toy cars.

By 1902 when the firm of the Gebrüder Bing of Nuremberg, which dominated the world market of quality metal toys in the years before the First World War, introduced motor cars into their catalogue, there was a choice between steam driven and clockwork models. A friction flywheel drive was used for the sort of cheaper toys marketed by Lehman of Brandenberg. The more com- plicated and essentially less realistic steam car seems to have been fairly soon supplan- ted.

The Bing cars were beauti- fully designed and made, and definitely meant for the class market. They came in different sizes, and in 1903 the largest model of the "Phaeton Pattern Motor Car" rather like the one illustrated here, cost 29/6d— more than the weekly income of many British families at that time. Still, it was "fitted with extra strong Clockwork, the Car running in an original zig-zag track, with Horn sound- ing Pip! Pip! nickel plated wheels with Double Spokes. Pneumatic Indiarubber Tyres, Two Lamps and Cushioned Leather Seats. high class finish, finely enamelled and lined as illustrated."

As well as the Lehman cars, cheaper models were also im- ported to Britain and America from France, where the most famous maker was Fernand Martin. In American and British toy catalogues, Bing and Lehman models were proudly advertised by name until 1914 when they were more cautiously described as simply "Im- ported". After the war the German toymakers never en- tirely recaptured the old markets. Bing, who had sup- plied joy—with a minimum of cut fingers and lead poisoning —to the children of the world since 1863, were swallowed up by other firms. Lehman of Brandenberg vanished into the mysterious East, after the Second World War.

By the 1920s boys were demanding more accurate rep- resentations of real car types, such as were provided by the American firm of Ives, with their "Tootsietoys" and their motto "Ives toys make happy boys." The Citroen company produced a fine series of models of their own products—an ingenious strategy to instil in the French male an early affection for the brand name.

Nineteen thirty-four brought a revolution in the world of toy cars, when the older type of tin toy was superseded by scale models made up of accurately moulded parts. Frank Hornby of Liverpool had been selling Meccano construction outfits since 1901. After the First World War he began his famous series of model trains: and his first Dinky Toys were intended simply as decorative accessories for railway set-ups.

By the 1960s, when Cecil Gib- son produced his history and catalogue of Dinky Toys, their range of model automobiles, made over 30 years, went into four figures. Dinky Toys have a fascination for the collector which later competitors—Corgi, Lesney Matchbox Toys and the now defunct Spot-On series can- not rival.

Toys are a booming area of the collectors' market, with the regular Collectors' Sales at Phillips' Marylebone saleroom, Christies South Kensington and Sotheby's Belgravia as the happiest hunting grounds. Prices for choice specimens are high. The Bing model of a Benz car illustrated—almost mint in its original cream, red and gold enamel—was sold by Phillips a fortnight ago for £1,100. A Bing London bus, bearing advertise- ments designed for the English market ("Harry Lauder at the Tivoli") was sold earlier in the year at Phillips for £1,250.

Phillips also established the auction record for a Dinky Toy, when a collector paid £370 for a Pickford delivery van originally sold in 1934 for four- pence. (Inflation had already taken hold by the late 1930s, however, when the price of this model rose to sixpence). Phillips' sale of several hundred Dinky toys and their contemporaries on Tuesday promises no such record prices, though the bulk lots of assorted Dinky Toys might make useful buys for budding car collectors.

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Leading from weakness

MR. CALLAGHAN'S wages policy was decisively defeated at the Labour party conference in Blackpool: the market fell sharply. Mr. Callaghan made a firm speech and said he would carry on regardless, and the market recovered. The City's reasoning seems to run on two parallel tracks. One school holds that nothing has really changed: the unions rejected the Government policy long ago, but in most places — Vauxhall makes an encouraging example so far — the troops seem reluctant to march. Ford is an exception because it has always been militant and is unusually profitable. A strike at one company does not necessarily make a hard winter.

The alternative case for optimism is a little more sophisticated. The Blackpool vote has not made the prospect in regard to strikes any worse—it was bad anyway; and it may have made it better. Mr. Callaghan and the unions must now try to patch up a compromise to preserve any chance of a Labour victory. It won't save Labour, but it is likely to be less inflationary than a free-for-all, and less disruptive than an outright confrontation. In due course Mrs. Thatcher will come into a relatively orderly inheritance.

Too facile

Unfortunately these interpretations look rather too facile. The Blackpool vote badly damaged Mr. Callaghan's authority, and he seems determined to reassert it. If he succeeds, and the policy can still be made to stick adequately, he believes he could still win an election—and his authority would then be greatly enhanced. If he fails, he is a man with little to lose at this stage, and would probably genuinely rather go down with the anti-inflationary ship than take to an inadequate lifeboat.

The fact is that Mr. Callaghan, supported by much public opinion and one or two unions representing the relatively low paid, has come to believe that free collective bargaining has no place in a socialist future. It is not only inflationary; it represents what Mr. Sid Weighell of the National Union of Railwaymen has called "the philosophy of the pig trough." The only question is whether the unions participate in making the rules for an orderly wage round, or whether the Government imposes them. Participation would no doubt be preferable; but failing that, the Government is convinced that the ruthless use of public sector purchasing power and of discretionary assistance will convince employers that it is in their interests to make Government policy stick. The emphasis on sanctions is also political: the Liberals believe in a stern pay policy, and the Prime Minister will in effect challenge them to support the tougher party.

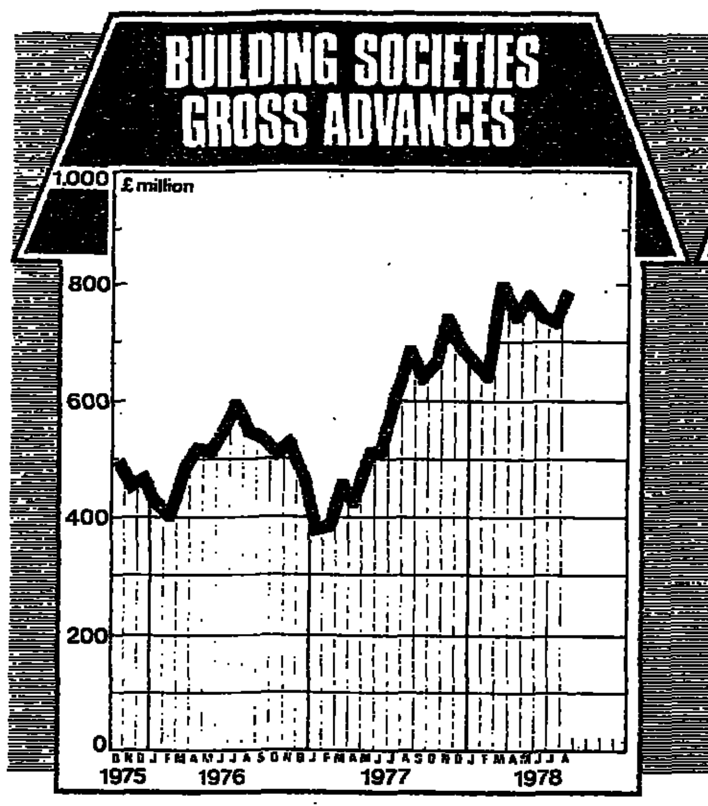
A Prime Minister making a gambler's throw on a rigid policy, confronting a trade union movement led by new and insecure men responding to shopfloor pressure, and reinforced by their Blackpool triumph — these men may not seem very likely to achieve a peaceful compromise. This need not mean that the country is about to come to a standstill. A Labour Prime Minister trying to enforce restraint at a time when real incomes have risen sharply may well stand a better chance of limiting the destruction caused than did a Conservative Prime Minister at a time when the national disposable income was falling; and Mr. Callaghan's policy is not in any case as rigid as it looks. The productivity loophole, according to some trade union officials, is as wide as the bargaining skill available. This means equally that we cannot hope for the kind of outcome which would follow from an actual five per cent norm—a further sharp reduction in inflation. The Prime Minister has limited his own ambition to staying in single figures.

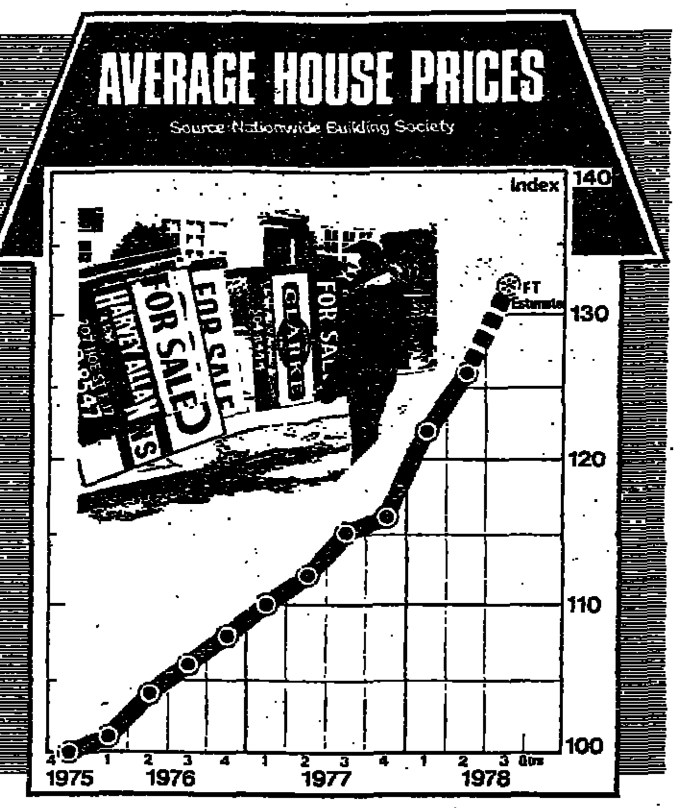
The implied admission that 5 per cent may well turn out to mean a good deal more rather gives the lie to Mr. Callaghan's claim to be the country's personal bulwark against higher inflation. The Prime Minister has threatened that he would fall back on fiscal and monetary restraint but this may appear on the shop floor as simply another aspect of a struggle against the Government for higher real wages. The lesson which, it seems, has still to be learned is that high money claims—even if followed by monetary ease—are the enemy of growth, and thus of both real wages and employment. King Canute had the wisdom to try to convince his courtiers that there were forces beyond the control of a mere ruler. Mr. Callaghan, posing as Father Nature in order to get re-elected, encourages militants to miss the point.

Mr. Callaghan may still hope that while he lost a battle at Blackpool, he can win the war. For the country, the lesson is less pleasant: for Blackpool demonstrated that the new and supposedly moderate leaders of our biggest unions cannot lead. Weak Prime Ministers can either tap new sources of strength, or go. The obstinacy of weak trade union leaders poses problems which seem likely to outlast Mr. Callaghan.

The daunting waiting list for mortgages

BY MICHAEL CASSELL, Building Correspondent





THE GOVERNMENT'S insistence this week that controls on mortgage lending remain in force makes it certain that the longest home loan queues seen since the "famine" of 1974 will continue to confront house buyers this winter.

Prospective purchasers are having to wait up to three months or more for the mortgage offer, and growing numbers are being turned away from High Street branches and asked to try again later. Some societies have lengthened the period for which investors must save before qualifying for a loan and others are offering smaller than usual advances to help make the money go further.

A decision to remove the mortgage lending limits introduced earlier this year would not, however, have eliminated the daunting waiting list because building socities cannot in any case hope at present to satisfy one of the most sustained and intense periods of mortgage demand on record.

But the Government's determination to prevent any significant increase in lending on house purchase, even in the modest levels which many societies could now contemplate, means that there can be little improvement in the current struggle for home loans.

Apart from the long queues, however, the mortgage situation today bears little resemblance to the difficult period of 1974 when building societies were forced to accept loans from the Government to help to keep mortgage rates down and had to slash lending by 15 per cent from the level of the previous year.

For the societies, 1978 will have been a period of unprecedented success. By the end of December, they will have advanced as much as £8.5bn in loans against £6.7bn in the previous 12 months. Nearly 800,000 loans will have been made, compared with just over 400,000 in 1974, but even so their efforts will not have enabled them to match the apparently insatiable demand fo. mortgage finance.

By March the Government was convinced that house prices were set for a period of rapid escalation unless some action was taken. Disregarding suggestions that the market was simply undergoing a short-term readjustment after a four-year period of sluggish price rises, they called on the building societies to cut back on lending.

Although they had considerable reservations, the societies agreed and reduced by 10 per cent the monthly level of advances for house purchase to a little over £600m a month. The agreement did not cover lending on such items as improvement work, which is not regarded as potentially inflationary as loans for direct purchase, and advances in this area have now risen to over £100m a month compared to the more normal monthly figure of about £40m.

Continuing talks with the Government have resulted in one marginal relaxation of the guidelines but the straight-jacket remains.

In addition to problems caused by the Government's intervention, the societies have had considerable difficulties over the summer months in attracting a reasonable supply of funds from the public.

In the spring, Minimum Lending Rate rose to 10 per cent, interest rates generally turned upwards and the societies began to suffer the consequences as their competitiveness declined. Net receipts slumped from near the £400m mark at the beginning of the year to less than £150m by June and even the subsequent increase in their depositors'—and borrowers'—rates had little effect on the societies' ability to attract savings.

In recent weeks, talk of the year's second increase in building society interest rates began to increase but, with figures due out next week which are likely to show September receipts up to around £300m., further medium-term rate adjustments now seem unlikely.

The sort of improvement now being experienced would, in normal circumstances, take some time to work through to increase the availability of mortgages, but little impact can be expected on this occasion because the hands of the societies are still tied by Ministers. There may now, however, be some scope for increased lending for house purchase by those societies which, because of the shortage of funds, have been failing to reach even the reduced mortgage advance limits agreed with the Government.

The movement as a whole has, in fact, been drawing fairly heavily on its liquid funds just to keep pace with the levels of lending now in operation. Liquidity for societies as a whole had fallen from nearly 22 per cent in January to about 18 per cent by the end of August, with a reduction in cash and investments from £7.5bn to £6.9bn.

Exasperating wait

But despite some early signs of an improving outlook, many homebuyers remain faced with a long and exasperating wait. August figures published by the Building Societies Association clearly underline the extent of the recent deterioration in the mortgage situation—albeit from record levels.

While advances last month remained at one of their highest ever levels, reflecting earlier mortgage promises, total new commitments during August stood at £711m against £807m in March when the controls were first decided upon.

More significantly, however only £603m of the August commitment figures was for actual house purchase against a sum approaching £730m in March. Given complete freedom of choice, may societies would now, without doubt, be allocating more of their overall lending for straight house purchase.

Opinions vary about whether or not the Government should have intervened in the first place. Some building society executives believe that a tempering of mortgage lending has been justified, accepting that a potentially damaging upsurge in prices was possible and wishing to ensure that, if it happened, they could not be held responsible. Other society leaders still believe the move was crude, ill-considered and unnecessary. They continue to press for a complete rejection of Ministerial interference.

Opinions on the subsequent effects of the controversial intervention are no less varied. Everyone in the building society movement accepts, however, that house prices in 1978 have moved at a much faster rate than at any time since 1972-73 and more quickly than most—though not all—of them had predicted nine months ago.

Although the picture is not yet clear, it seems that average prices during 1978 will have risen by as much as 20 per cent, or even slightly more. In some areas, notably London, the prices of certain types of property have in many cases actually doubled. The overall situation represents one of sharp contrast to the 1977 picture, when average house prices rose by about 8 per cent.

Third-quarter indices due to be published soon by one of the largest building societies are expected to show, if anything, a further acceleration in the rate of increase (10 per cent) recorded in the first six months of the year. The figures should, however, be treated with caution as they reflect prices at the earlier mortgage approval stage and the buying cycle has now become so stretched that the latest position is hard to determine.

But there is plenty of anecdotal evidence to suggest that the private housing sector is a good deal more orderly and stable than it has been for most of 1978. More properties are on offer than at any time in the past six months, prices have generally appeared to top out and are continuing on a plateau after the sharp increases of the spring and early summer.

A few days ago, however, the Incorporated Society of Valuers and Auctioneers said it believed prices were still moving upwards and that, in a "free" market, a repeat of market conditions in the early 1970s was a strong possibility.

How much of the current situation is a result of the decision to attempt to regulate the market is almost impossible to decide. Ministers will no doubt claim that if they had not sensed trouble early in the year and acted on figures which suggested average prices were rising at an annual rate of nearly 20 per cent, then the explosion which everyone wished to avoid might well have taken place. Just how capable societies would have been, given complete freedom, to pump more money into the housing market remains a moot point.

The Government cannot, however, be entirely pleased with the pattern which has emerged because it was certainly hoping at one stage to contain house price increases to below the rise in average earnings, now running at approximately an annual rate of 16 per cent. But the prospect of price rises of more than 20 per cent has not, so far at any rate, developed into anything remotely approaching a political issue and Ministers will derive considerable satisfaction from that fact alone.

Some societies claim that the present difficulties in the housing market have been created by the Government's action. Potential house buyers, they say, were encouraged to enter the market because of fears of a home loan shortage, and all that has happened is that queues for mortgages have lengthened while prices have continued to rise.

The major talking point now is what will happen in the next few months. Most societies, whatever their attitude to the benefits or disadvantages of controls, are adamant that they should not be permitted to continue for much longer.

The societies are also concerned about the effects which a prolonged period of mortgage restraint could have on the future for private house building. Contractors are already suggesting that uncertainty over sales prospects for 1979 will lead to another slump in private sector output and that starts could return to the 1977 level of 135,000 against an estimated 155,000 for 1978.

This year at least has been a good one for the private house builder, with new house prices rising by an estimated 20 per cent plus and margins looking more healthy than they have done for four or five years.

From the building societies' point of view, if they do now begin to experience an upturn in the inflow of funds and find themselves capable of raising lending to help bite into the backlog, pressure on the Government to allow them to go ahead can be expected to increase.

For the Government, there remains considerable doubt about the outlook for house prices. With a general election at least temporarily postponed, the resolve of Ministers to prevent any significant upsurge in prices before the Government goes to the country seems certain to remain as strong as ever.

The situation should come to a head in the spring, when the housing market reawakens after its winter rest. Societies could be champing at the bit to start clearing away the long list of hopeful house purchasers and the Government may find itself in a position where the difficulties in obtaining a mortgage prove as potentially unpopular as a period of substantial house price increases. It may well be that the chances of continuing co-operation between the two sides will then be put to the test.

Letters to the Editor

Profits

From Mr. B. Counsell Jr.

Sir,—One of the greatest anomalies today is that of relating amount of "profit" to the size of wage demands.

Profits can already have been used up in replacing previous losses, or in generating investment moneys already ploughed back into the business to ensure the future of the workforce.

One cannot help wondering if, instead of a supporting inflation adjusted statement with its esoteric methods, our companies should not go back to a simple cash statement? This should assist worker participators and, it seems, the Press and unions to understand the position more clearly.

Profits without money are like bees without honey!

Bernard G. Counsell Jnr.
10, Lake Road,
Fairhaven,
Lytham St. Annes,
Lancashire.

Productivity

From Mr. W. Grey

Sir,—Perhaps sensing that he is fighting a losing battle on the worker shareholding front, Mr. B. A. Cole has now (October 4) dragged in the red herring of insider dealing, doubtless in the hope of thereby tarring both with the same unsavoury brush. By thus backing away from the merits of the case, however, he has come close to admitting defeat.

In an earlier letter (September 26), Mr. Cole had been sure that I "still underestimate the value of worker shareholdings" as a direct performance incentive. His latest has merely convinced me even more that he, for his part, is caught up in the opposite error. Happily, the opportunity we have all long awaited for putting these conflicting theories to a practical test is ready to hand—if only those presented with it were, unlike Mr. Cole himself, prepared to snap it up.

Yes, if only Ford management and workers agreed a basic pay settlement within the Government's (now perhaps to be revised) guidelines, and at the same time negotiated a productivity deal whereby part (which could be renegotiable annually) of the workers' earnings was directly and genuinely geared to the company's (i.e., their own) performance, and if, as they should, other companies followed suit to their potentially equal advantage, we all might really, at long last, get somewhere.

Meanwhile, pending that momentous anti-divisive decision now within our grasp, please let us not make it more difficult than it appears to be by confusing one (to some of us at least) perfectly clear-cut issue with another on which even learned counsel will sensibly agree to differ.

W. Grey.
12, Arden Road,
Finchley, N3.

Strikes

From Mr. A. Scott

Sir,—Governments, in varying degrees, seem to want to set limits for pay rises, but unions want to be in the market place for what they can get. Very well, but this free market should be self-financing. People should not attempt more than they can afford. There is no reason why the rest of us should help finance the operation. Most of us do not strike, yet are milked because somebody else happens to want something. If they strike and require public assistance, it should come as a loan, to be repaid as a lump sum or along with PAYE. One consequence of this might be more thinking, shorter strikes and less inflation.

A. H. Scott
102, Beeches Road,
Chelmsford, Essex.

Wages

From Mr. J. Stride

Sir,—It is clear that the private sector has an interest in granting substantial wage increases.

If a claim by private sector unions succeeds, the members will be placed in an improved financial position. It is of little consequence if as a quid pro quo the employer reduces manning levels. For the first 26 weeks of redundancy it is likely that the welfare of the redundant employee will be improved. There is also the chance of a lump sum termination payment. This can prove a welcome addition to the savings of employees near retirement. The opportunity for moonlighting to augment their resources appeals to the younger employees. As a side benefit any employees subsequently made redundant gain Social Security benefits related to the new wage level.

A favourite occupation of economists of late has been to try and explain the phenomenon of rising savings ratios. Comment has also been directed at the rapid expansion of the M1 definition of money aggregate. The two are linked—black income (undeclared moonlight earnings) is being turned into clean assets through the savings industry channels i.e. national savings, building society deposits, life assurance and bank deposits.

The granting of higher wages may enable the employer to levy increased prices for his output (under the provisions of the Price Code). More appropriate manning levels may emerge, and there is the real possibility of increased productivity through the incentive of the additional earnings from overtime. Labour and capital efficiency can improve.

The Government benefits from fiscal drag increasing Inland Revenue receipts. The higher output prices induce additional VAT. Although loss is suffered through undeclared income, during the conversion from black earnings to clean assets government debt may be purchased.

There may be structural benefit for the economy derived from increases in private sector wages relative to the public sector. Such increases will encourage transfers of labour from the public to the private sector. This corrects the imbalance between state and non-state sectors which, it is alleged, is the root cause of our poor economic performance and a tangible threat to the democratic traditions of the UK.

Incidentally, the size of the black market indicates the untapped entrepreneurial potential of the economy.

J. T. Stride.
Amberley, Tattenham Crescent,
Epsom Downs, Surrey.

Pensions

From Mr. N. Sumner

Sir,—In the article by A.G. (September 28) on unit-linked pension schemes, Simon Batt of Willis Faber is quoted as asking: "What would you do if you were in a unit-linked scheme and the date of your retirement coincided with a period like 1974?" The short answer is "you would draw a higher pension than you would have done if you had retired, after accumulating the same number of units, in a period like 1973." That at any rate is the answer applicable in the case of one of the best-known unit-linked schemes.

Norman Sumner.
15, Lansdowne Road,
Wimbledon, SW20.

Motoring

From Mr. G. Hafter

Sir,—Having only just returned from holiday (during which I used a green card, on the application form for which was a printed declaration which I had to sign stating that it was for domestic and pleasure purposes only), I have only now seen the letter (September 20) from the Secretary General of the British Insurance Association.

In that letter he seeks to reply to my original letter of September 12, and I would be only too happy if what he says in his reply really covered the case, but I can assure him that my son had the greatest difficulty in finding any company to provide him with extended cover, and in particular found that a company operating both in this country and in Switzerland (which was where he was intending to stay for some time) was quite unhelpful.

It would take far too much of your space to detail all the difficulties we ran into. Suffice it to say that one very well-known company operating both in this country and in Switzerland was unable (or unwilling) to provide extended cover on a policy issued from their UK office and referred my son to their Swiss office, who then replied saying that they in their turn were unable to effect an insurance on any motor vehicle not registered in Switzerland. As the Swiss Embassy had previously said that for a motor vehicle imported for less than a full calendar year re-registration in that country was not required and was in fact discouraged, an impasse had obviously been reached so far as that company was concerned.

Finally, can I comment on the alleged difference in driving conditions. Many people find they are equally able to drive on the left and the right, and that there are greater differences between conditions in rural areas and heavily trafficked areas inside any one country, than there are between comparable areas in different countries. In particular, the different priority arrangements at roundabouts, for example, vary just as much from one Continental country to another as they do between the UK and other European countries, and it is not true, therefore, that the motorist from one Continental European country will find no difference in conditions if he crosses a frontier to another, just because both of them have right-hand driving.

Gordon Hafter.
49, Church Street,
Old Isleworth, Middlesex.

Accountancy

From Mr. M. Hudson

Sir,—I read with interest the letters of Mrs. Mincer (September 25) and Mr. Wooller (September 27). May I be permitted to add my own comments on accountancy examinations?

I watched my son's battle with the Part II finals over the period 1976 and 1977 which culminated in his having to be re-examined in the very subject, the elements of financial decisions. At the time I was unable to believe his cynical comments about relevance to practical accounting and auditing, of the papers he had previously taken in that subject, it merely being a speed test in his view, but I was able to see him gradually reduced to a mental jelly as the examination drew near. At the back of his mind was the thought that failure meant the harsh punishment of having to resit the whole of Part II—a punishment not inflicted by many examining bodies. Needless to say he failed and with it has gone his courage to face further examinations knowing that 1980 is his deadline. That is his problem, but your previous correspondents, and indeed earlier ones, now make me think that my son has a point.

Seemingly the council and members of the Institute of Chartered Accountants are indifferent to the fact that it is their failure to provide adequate training (and maybe their own unfamiliarity with the subject) which leads to such a low pass rate. Recent Press reports seem to indicate a certain complacency in the profession generally, but to improve standards, it is surely their duty to see that everyone who has been considered potentially acceptable to the institute, is given adequate, and where necessary, special training, particularly in those subjects which he or she finds most difficult. This should not be left to a few tuition schools whose accommodation is strictly limited and to those comparatively few firms who value high training standards to the extent that they are prepared to employ the best possible instructors for their staffs.

M. J. Hudson.
Dolphins Chart Road,
Sutton Valence, Kent.

Kettles

From Mr. B. Roote

Sir,—Mrs. Micheline Orde's solution (September 23) to Mr. Collins's problem of overlarge kettles, while workable, could entail the purchase of a vacuum flask thus adding to the cost of producing the hot water.

The simplest solution, at no cost at all (surely unique these days) is to place sufficient stones, or similar, objects in the kettle to displace water and leave the required amount to be heated, ensuring of course, that the element is covered at all times.

Brian Roote.
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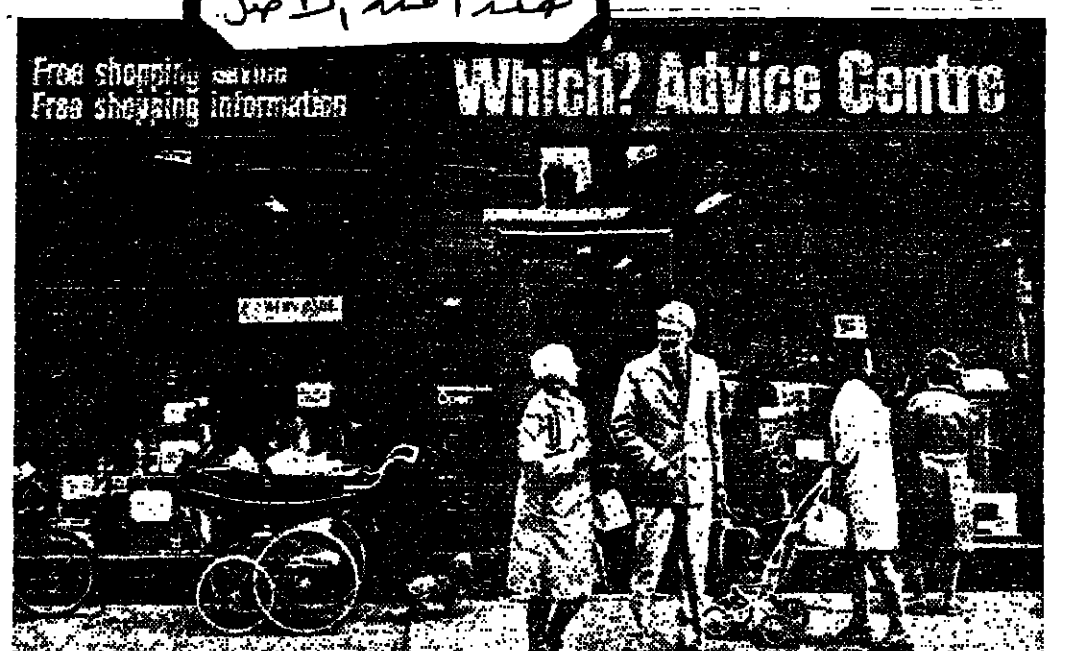
Today is the 21st anniversary of the movement now known as the Consumers' Association. **David Churchill** examines its past achievements and the problems facing it into the 1980s

The consumer movement's coming of age



One of the Association's six High Street advice centres

HE CONSUMER movement in ritain comes of age today. wenty-one years ago the first sue of a fledgling magazine illed *Which?* was published y a newly formed organisa- on, the Association for Con- imer Research (subsequently named Consumers' Associa- on). In that first month, and espite all the odds, some ,000 people took out a sub- ription to the new magazine hich somewhat hesitantly robed into the world of pirins and electric kettles. As th all such ventures, the sociation started out with othing—in fact, it was £487 debt after the first issue was unched.

Today, almost 600,000 people bscribe to *Which?* every onth and many of these also y the quarterly supplements, money, motoring, holidays d do-it-yourself. When the sociation's annual report is blished later this month it ll show that income this year at £6.25m—is almost £1m re than last year—and the urplus" (the association efers not to call it profit) will almost £168,000.

This makes the Consumers' sociation the second largest nsumer organisation in the rld—after the U.S. Con- ners' Union—but the British can justly claim to be the st comprehensive in the ge of its activities. The ociation employs about 500 ff—more than the Govern- nt's Department of Prices l Consumer Protection.

On its 21st birthday, there- e, the association would seem in a stronger position than ever before adequately to fulfil its role of informing con- sumers about the comparative merits of various products and campaigning for more protec- tion on their behalf. The con- sumer movement in Britain, however, is currently at a cross- roads. In broad terms it can be said that while the 1960s were a period of growing aware- ness by the public and govern- ment of the emerging consumer voice, the 1970s have been marked by more positive government action in building a legislative framework for consumer protection. But at the recent consumer congress in Edinburgh the main question that emerged was: what role should the movement aim for in the 1980s?

The National Consumer Council which—although set up and financed by the Government in 1975—has managed to estab- lish an independent voice, made clear at the congress its belief that the consumer movement should try to establish a credible voice with govern- ment and become a "third force" alongside the CBI and TUC. The Consumers' Associa- tion, which has traditionally maintained a conservative approach to such novel ideas, has so far remained aloof.

But if there is now some uncertainty about the develop- ment of the consumer move- ment, 21 years ago it seemed unlikely that such an organisa- tion as the Consumers' Associa- tion would ever get off the ground. Comparative product testing along the lines carried out since the late 1930s in the U.S. by Consumers' Union—and published in a magazine called *Consumer Reports*—was felt by many to be too advanced for Britain. It was believed that UK libel laws were too strict; that the Press was likely to boycott publicising such tests because of pressure from advertisers; and preliminary market research suggested that housewives had no *conscious* desire for such information.

The exact origins of *Which?* are surrounded by folklore. But the generally accepted version ascribes the idea to Mrs. Dorrie Goodman a young, newly married American woman who was studying at the London School of Economics. Deter- mined to have a warm house as protection against the English climate, she searched for the British equivalent of *Consumer Reports* so that she could decide which central heating system to instal.

Market testing

When told that there was no such thing she set about start- ing one. She and her husband, with Michael Young (later to become Lord Young), and a small group of economists, lawyers, engineers, and a film director established the associa- tion and prepared a dummy publication along the lines of the U.S. magazine. But basic market testing of this dummy— simply by knocking on doors and asking housewives what they thought of it—failed to evoke any enthusiasm. Soon afterwards, Mrs. Goodman returned to the U.S. but Michael Young and the others continued to press ahead with plans for the launch of *Which?* They felt that, despite all the potential problems, a magazine such as this was needed and could be made to work. The shopper, they believed, was at a continual disadvantage, especially as newer technolo- gically advanced products became more generally avail- able in the post-war years.

Consumers' Association and *Which?* went from strength to strength during the 1960s. By the end of the decade subscrip- tions had reached about to-days level. (Subscriptions went on to reach almost three-quarters of a million before rising subscription charges brought them back to today's level.) The association was able to establish extensive research facilities and branch out into new publications, such as the quarterly *Money Which?* and *Motoring Which?* and a series of books including the popular annual *Good Food Guide*. In the late 1960s the association also opened its first High Street advice centre. It now directly runs six itself, with a further 200 advice centres run by local authorities, in addition to the Citizens Advice Bureaux network of aid centres.

While the publication of com- parative product information was always seen as the associa- tion's main aim, it used to be quite reluctant to pursue vigorously a campaigning role on behalf of all con- sumers. Its campaigning activities came as a result of making a surplus from its pub- lishing. Until 1970, for instance, the amount of its budget allo- cated to campaigning work was merely the surplus left after all other expenses had been paid. Last year it was budgeted for at over £250,000.

The 1970s, however, created a new set of pressures for the association and the movement in general. One of the first acts of the Heath Government in 1970 was to abolish the Con- sumer Council, set up in 1963 to provide some sort of forum at national level for debate of consumer issues. This closure left the association virtually on its own as a national force for consumerism.

The Government's view was that consumer protection was best left to Parliament. A num- ber of pieces of legislation aimed to do just this were there- fore enacted in the early 1970s. The legislation included the Supply of Goods (Implied Terms) Act and the Unsolicited Goods and Services Act.

In addition, Sir Geoffrey Howe was appointed the first Minis- ter for Consumer Affairs in 1972 and the Office of Fair Trad- ing was set up the following year. The Government, faced with growing consumer opposi- tion to rising prices, also back- tracked on its previous policy and encouraged local authorities to set up new consumer advice centres.

But while inflation was spur- ring the Government on to pay more attention to the consumer voice, it was also creating sub- stantial problems of rising costs within the association. In 1974- 1975 a disastrous trading defi- cit of several hundred thousand pounds led to a 15 per cent cut in staff and a rise in magazine subscription charges. Both moves created disgruntlement: the subscription increase led to a sharp drop in subscribers, and the cuts left staff with the feeling that the association was being run on too commercial lines.

Mr. Peter Goldman, the asso- ciation's director since 1964, is still regarded with distrust by some of his staff following the redundancies crisis of a few years ago. But even his sternest critics have to admit that he has kept the association not only solvent but also profitable, enabling constant expansion of its activities. The underlying philosophy is clear: the associa- tion has to be efficiently run and profitable if it is to survive and provide consumer inform- ation and campaign on parti- cular issues.

Such a commercially orien- tated philosophy, however, has led the association to adopt ex- tremely vigorous marketing techniques somewhat akin to those of the *Readers' Digest* form of direct mail advertising. Last year the association spent more than £1m. — just under a fifth of its total income — on marketing and promotional acti- vities. Despite its critics, such expenditure and techniques mean that about eight out of every 10 subscribers renew their subscriptions each year. *Which?* alone costs £6 a year, while the total package including the four supplements every quarter, comes to £15 annually.

According to Mr. Goldman, the association's development in the immediate future is twofold: first, to find new areas of consumer concern and develop these through the magazine; secondly, to continue the policy of campaigning on the consumers' behalf, especi- ally to press the UK consumers' point of view at the European Commission in Brussels.

But the association is less willing to be drawn into a directly more political role as envisaged by Mr. Michael Shanks, chairman of the National Consumer Council. This would involve the associa- tion being part of a federal organisation with a direct stake in national debates over eco- nomic and social issues, similar to the role achieved by the CBI and TUC.

The association's reluctant attitude towards Mr. Shanks' scheme is based not so much on competitive jealousy — such as dogged its relationship with the Consumer Council of the 1960s —but on concern about main- taining the association's inde- pendence and whether, in fact, the scheme is in its subscribers' best interests. A change of government could all too easily see the NCC again being made a victim of political whim and having its grant withdrawn. The association, with the bulk of its income from subscribers, can afford to stay independent.

And it is not generally recog- nised that while the association has almost 600,000 subscribers, it has little more than 2,000 actual members who are entitled to vote at annual meet- ings. It only requires three years' continuous subscription to *Which?* and another 50p a year to become a member—but only one subscriber in every 300 bothers. Would the associa- tion be justified, therefore, in claiming to speak for consumers with government? Perhaps by the time the association cele- brates its next 21 years we will all know.

Weekend Brief

range enes

some extent you could pathise with the dignatories he British Film Institute looked around the thin s of those gathered for little party earlier this c. For some months now headlines have been sniping at alleged in-house ments at the BFI, par- arly over the appointment new director. The Institute ly expected a big crowd the last reel of this drama, had arranged a trans- ntic sound link just for the sion, but interest was small. viously a director is less worthy than no director," an official glumly.

citement over the BFI's jobs is based on the fact as the guardian of Britain's o-visual heritage (running National Film Theatre, keep- the nation's film and TV ives among other things) organisation comes in for eat deal of flack. It may have eased that burden by inting an American to take as the new director, and ing prepared to wait until into next year before he take up the job while their nt director, Keith Lucas, es at the end of the year.

d Perry, currently Head Arts and Humanities at lebury College, Vermont, is regarded as quite a coup he Institute. In his early es Perry has made quite me for himself as a film rian and archivist and was a time director of the rtment of film at the um of Modern Art in New . His departure from that to the relatively quiet res of Vermont caused ise but he says he went ause my job was complete." akes a considerable cut in y to come to the £12,000- r-plus London job but ns he is coming because BFI is the only such nisation in the world with a broad scope. One of the ems he faces is that the s under constant attack for eing cost effective.

The marketing ebullience of earth mover makers JCB is renowned in a trade which is far more fast moving and competitive than the massive slow motion of the equipment itself might suggest, but over the next couple of weeks even the normal JCB slickness is being excelled. At a cost of some £120,000 the company, still run by the Bamford family but now in the form of 32-year-old Anthony Bamford, is flying in two jet loads of prospective American buyers and treating them to ye olde Englishe hard sell.

For years the bright yellow JCB machines have been a common enough sight in ditches and on building sites the world over, but the American market was a major exception. With American contractors taking annually about 20,000 machines which might roughly be said to be rivals of the basic £15,000 JCB excavator loader, some 51.8 per cent of the total world market, it was clearly a gap in the overall business. The Bamford clan moved in in 1976 and notched a modest $1.2m worth of sales, last year this topped $10m, and the company is now well on target for $20m this year.

The first of two sets of Americans arrived in Britain yesterday, some 150 of them from Chicago. The second load will arrive in a week's time. Each will get trips to typical British pubs, Elizabethan banquet nights, tours round the JCB factory and, of course, the now famed JCB circus which puts earth moving equipment through a big top routine. As a finishing touch JCB plans to apologise for not taking the group to see Buckingham Palace, and has taken a Guards' band to Stafford instead. "We are very tiny (American rivals are people like Ford and Case) and we are trying like hell to show them why they should buy British and buy us."

Our picture shows JCB Sales managing director Dick Ryeland, with star performer.

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is preparing himself for l in the UK just as the industry itself is in the of some glum self- sis. While cinemas the over are bulging at the with much increased nces, it does not take much e way of incisive analysis ote that they are being ted by mainly American Even the latest crop of nanced pictures from the Grade and Delfont con- a high proportion of pic- that are actually made in ica, with U.S. stars.

is nice therefore to find is an occasional ray of bred hope. In this case the s a youthful film-maker called Don Boyd, a focal point of a considerable amount of pri- vate UK film investment money at the moment. Boyd is now working on Sweet William, a very English film (but with one American star as an insurance policy), and has several others on the drawing board. At least three are funded and there are a total of 14 in various stages of preparation. With £1m being a fairly modest feature film budget these days this makes Boyd a major film-maker indeed and one of the biggest in the UK.

A successful graduate from the hard, but well funded, world of television commercials, Boyd some time ago attracted the attention of City financial link man Roy Tucker and it is Tucker who, says Boyd, has been able to conjure up private support for the film projects. Boyd's en- thusiasm for the film business as a successful industry is in- fectious. "The film business is in for a resurgence. I am very optimistic. We should be bul- lish about it." One of his argu- ments that just as British tele- vision is following its American counterpart into middle age, so a new generation of film-makers are coming on the scene and providing young people with good alternative entertainment.

A load of bullion

IF, LIKE Goldfinger, you thought the world's biggest hoard of gold lay in Fort Knox, you're wrong. It lies in the bowels of a large granite build- ing just behind Wall Street, better known as the Federal Reserve Bank of New York.

At the latest count, the Fed had amassed over $16bn worth of the stuff against Fort Knox's $10bn worth—and that's at the official rate of $42.22 an ounce. At the going rate of over $200 an ounce the stocks are worth five times more.

And if $16bn doesn't mean much to you, look at it another way. The Fed has about a million ingots, each weighing 27 pounds, giving the hoard a total weight of over 12,000 tons —which is why the floor of the vault rests on Manhattan's solid granite bedrock because no structure could carry such a dense weight.

The Fed is proud of its treasure, and it throws the vault doors open daily to the public. "Throws" is perhaps the wrong word to describe a door that weights 90 tons and rests in a steel and concrete frame weigh- ing a further 140 tons, but it conveys something of the drama.

Inside, the visitor is con- fronted by a series of caged compartments, rather like a zoo, harbouring 10-foot-high stacks of the precious metal, glistening faintly in the dim light. But there may also be a few odd piles of gold, worth a million dollars or two, lying casually around like packets in a ware- house waiting to be stored. A risk? Not really. If anyone tried to slip one in his pocket (assuming it didn't crash straight through the lining on to his foot) he would have to make it out of the building in eight seconds, which is all it takes to seal every door and crack, and flood the place with machine-gun-toting guards.

No one has yet taken up the challenge.

The curious thing about the gold, though, is that not one ounce of it belongs to the U.S. It is all owned by foreign Governments and international organisations like the IMF. (U.S. gold is in Fort Knox). The Fed looks after this hoard for others (free of charge), partly because the gold has always been there, partly because it simplifies international pay- ments when all that needs to be done to settle a bill between Governments is wheel a few ingots from one compartment to another. (There is, how- ever, a charge of $1 per ingot for this service.)

But it is pointless going to the Fed. to ascertain a country's creditworthiness because the Fed, while happily showing you the cages, won't tell you which cage belongs to whom. For, like the Zurich gnomes so often described, the Fed operates numbered accounts, too.

Contributors:
Arthur Sandles and David Lascelles.
Picture: Hugh Routledge

Economic Diary

SUNDAY—Hesse provincial elections: considered an important indicator of political mood in West Germany.

MONDAY—National Economic Development Council meeting, London. British Oxygen pay talks resume, London. Gen. Moshe Dayan, Israel's Foreign Minister, addresses United Nation's General Assembly. European Parliament five-day session starts in Strasbourg. EEC Justice Ministers meet in Luxembourg. Department of Industry publishes September provisional wholesale price index numbers.

TUESDAY — Conservative Party annual conference starts in Brighton. Fire Brigade Union conference opens in Bridlington. Equal Opportunities Commission statement on child care provision for working parents. British Overseas Trade Board statement on selling to Japan. China's Foreign Minister, Huang Hua, arrives in London for four days of talks. Chancellor Helmut Schmidt of West Germany starts four-day official visit to Japan. EEC Development Council meets in Luxembourg. Treasury publishes September figures on central government financial transactions (including borrowing requirement). Bank of England releases U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits for mid-September. Department of Industry's provisional September figures for vehicle production. London clearing banks' monthly statement for mid-September.

WEDNESDAY — Conservative Party conference continues at Brighton—Mr. Edward Heath at Conference Youth Forum. TUC Economic Committee meets. Sir Barrie Heath, SMMT president, statement on Motor Show.

THURSDAY—Egypt and Israel start peace talks in Washington under UN auspices. Western aid donors start two-day talks in Brussels on Zaire rescue plan.

FRIDAY — Mrs. Margaret Thatcher addresses Conservative Party conference in Brighton. Lord Chancellor addresses Magistrates Association annual meeting, Guildhall. BSC/BISPA September usable steel production figures. Department of Employment September retail prices index. Building Societies' receipts and loans for September. Central Statistical Office publishes the August provisional index of industrial production, and the September balance of payments current account and overseas trade figures.

COMPANY NEWS

English Property profit near £5m in first half

Reported revenue before tax of the English Property Corporation rose from £4.64m to £4.85m in the half year to April 30, 1978, and after tax and minorities, net attributable revenue advanced to £1.23m, against £1.17m.

The interim dividend is maintained at 1.25p absorbing £1.19m (£1.17m). The total in 1976-77 was 2.3p.

	Six months 1978 £000	1977 £000
Net prop. invest. income*	20,444	19,350
Property profits‡	614	1,015
Deposit interest	1,213	2,445
Interest*	17,423	18,172
Revenue before tax	4,846	4,638
Tax credit	150	‡830
Net revenue	4,996	3,808
Minorities	3,765	2,634
Attributable	1,231	1,174

* After making transfers in respect of development properties £7.61m (£11.26m). † Less losses. ‡ Charge.

The amount transferred to development properties has been reduced from £11.3m to £7.6m, reflecting the transfer to investment category during 1976-77, of the Boursidiere development in France and a number of completed developments in the UK. Interest has not been capitalised in respect of the Nice development, the site having been included in last year's balance sheet at a book value of nil.

As a result of these factors and further transfers to investment category to be effected during the second half of the current year and also because of the depreciation in the Canadian dollar, the board do not expect the second half year to make as large a contribution to net attributable revenue as was achieved in the same period last year.

The tax credit has been arrived at after charging ACT of £610,000 (£628,000) on the ordinary and preference dividends. In accordance with the group's accounting policies, revenue losses for tax purposes have been offset against capital gains.

The resulting tax relief of £788,000 has been credited to revenue and charged to capital reserve. This relief was not available for the previous period.

Foreign currencies have been converted at the rates ruling at April 30, 1978. Since that date there has been a depreciation of the Canadian dollar in terms of sterling of approximately 13 per cent. If the figures were restated using the exchange rates ruling at October 2, 1978, the net attributable revenue would be reduced by some £200,000.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aberthaw & Bristol	int	2.79	Jan. 4	2.76	—	6.76
Amax	final	55§	Dec. 1	43¾	186½	175
Cradley Print		1.11	Jan. 4	0.99	1.11	0.99
English Property	int.	1.25	Jan. 8	1.25	—	2.3
Firmin	int.	1.37‡	Oct. 20	1.23	—	3.68
A. Goldberg	int.	1.23	Feb. 19	1.12	—	4.11
Oceana Consol		0.74	—	0.67	0.74	0.67
Richards (Leics.)	int.	1.5	Nov. 16	1.21	—	3.81
Sabah	int.	0.55	Dec. 1	0.5	—	1.63
Scottish TV	int.	1.22	—	1.09	—	2.36
G. W. Sparrow	int.	0.96	Nov. 30	0.86	—	2.15
Spong	int.	nil	—	0.44	—	1.25
Tanks Consol.	int.	4	Nov. 24	4	—	10

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Additional 0.03722p for 1977 on ACT reduction. § Gross U.S. cents throughout.

Gas price increase takes toll of Aberthaw at six months stage

PROFITS before tax down from £835,000 to £522,000 are reported by Aberthaw and Bristol Channel Portland Cement Company for the first half of 1978. Turnover improved from £8.17m to £9.85m.

Because of a further large rise in the price of gas, costs have risen considerably since July 1 and the recent increase in cement prices will be insufficient to produce any improvement in pre-tax profit in the second half compared with the first six months, the directors say.

The interim dividend is stepped up from 2.7574p to 2.7992p. Last year the group paid a total dividend of 6.7574p from record pre-tax profits of £1.86m.

The first half profit is after depreciation £319,000 (£306,000) and interest £148,000 (£210,000).

Tax takes £242,000 (£406,000) leaving £280,000 against £429,000.

In calculating the figures for tax for the half-year, capital allowances have been based on actual capital expenditure during the period.

The tax charge for the year is likely to be at a lower rate than that for the first six months in view of the substantial capital expenditure which is planned to be incurred before December 31.

The board is very conscious of the low rate of returns being earned and is endeavouring to increase profitability in every possible way.

One of the principal means by which this can be achieved is to convert the kilns at the Aberthaw works to coal burning. Plans to convert to coal were started as soon as it became known that gas prices were uncompetitive.

But due to a considerable amount of time having been required to obtain planning permission, the earliest date for the completion of the project is the autumn of 1979.

● comment

A bad result had been anticipated from Aberthaw and Bristol Channel but a 37 per cent slump in pre-tax profits however, left the shares a further 7p lower at 145p. With sales more than one fifth better margins are almost halved at 5.3 per cent, primarily due to the company's much larger gas bill: a previous contract with the Gas Board expired and could only be renegotiated on considerably less attractive terms. Clearly, the immediate outlook is even worse. The 5 per cent price increase in June will be some help in the second half but it will not offset the further rise in gas costs. Volume should be up but full year profits below £1m (£1.86m) now seem highly probable. Next year's conversion to coal should have a big impact on profits and will not unduly stretch the balance sheet. But a question mark must hang over the company's long term growth prospects given its limited geographical field of operation and heavy dependence on cement. In a sector politically unpopular and bound by a common pricing agreement the fully taxed prospective p/e of 12 looks generous, though on a likely nil tax charge this falls to 5.6. The prospective yield of 7.8 per cent (covered more than three times on a nil tax charge) adds support.

Stewart Plastics sales up 23% in first quarter

In the first three months of the current year, turnover of Stewart Plastics has increased by £330,000, an advance of 22.6 per cent over the corresponding period of last year, Mr. C. Dugan-Chapman, the chairman, says in his annual report.

In the present circumstances, he is confident that business will continue to progress favourably and with the increased manufacturing capacity, he looks forward to a larger share of the market.

Sales during the year to April 30, 1978 continued to rise, says the chairman. Turnover reached £6.27m, an increase of 12.8 per cent, and trading profit was £1.34m, an increase of 5.6 per cent.

Although during the year the group had approximately £400,000 more on deposit and invested, the general fall in interest rates reduced investment earnings by almost £100,000. As a result, overall pre-tax profits were £8,881 less than the previous year.

Nevertheless, profit after tax shows an improvement of £14,663, a 2.1 per cent increase. Profits retained and added to reserves were virtually the same at £642,747 as against £640,019 last year.

The company had excess profits of £525,000 at April 30, 1976, £150,000 of which was eliminated in 1976/77 and a further £300,000 in 1977/78. In the opinion of the board, the balance of £75,000 should be cleared in the current year.

During the year, total capital investment was £291,000, of which £249,000 was invested in additional machinery, equipment and moulds. With the demand for products, both at home and abroad, remaining buoyant, directors are sustaining the expansion programme by ordering further machinery. During the first three months of the current year this amounted to some £208,000, says the chairman.

Late deliveries of some of the additional machines and the necessity of installing facilities for a further 1000kw of power supply, with consequent partial interruption in production, coincided with a period of high demand for the group's products. "We were thus prevented from fully benefiting during the year from the trading opportunities which arose," Mr. Dugan-Chapman says.

Scottish TV looks for big profit rise

FIRST half profits of Scottish Television are up from £1.05m to £1.08m and the directors are confident that results for the year should be substantially ahead of the record year in 1977.

The rate of revenue increase has grown since July and forward bookings for the remainder of the year are strong. It is not expected that costs will take up as much of the increase as in the first half, the directors say.

Sales for the half year were ahead at £9.15m, against £7.53m. After tax of £613,000 (£597,000) earnings per non-voting A ordinary are given as 9.11p against 8.81p.

The interim dividend is 1.216p (1.089p). Last year the total was 2.3595p on pre-tax profits of £1.74m.

● comment

Scottish Television's 3 per cent rise in pre-tax profits is unimpressive. The company got a 20 per cent increase in its rate card in March and overall advertising sales in the first half are 19 per cent higher. However, programme expenditure has been particularly heavy in the first half. That is not surprising as Scottish has only just recovered from the hefty expenditure on new studios, and with contracting licences due for renewal in the next couple of years Scottish is clearly anxious to fulfil its roll on the production front. It did come in for some criticism from the Annan report on broadcasting. However, programme expenditure has been bunched into the first half and overall this year the company looks capable of producing pre-tax profits of over £2m compared with £1.74m. On that basis the shares stand on a fully taxed prospecture p/e of 3.7 and the yield (with a 10 per cent increase) is 5.7 per cent covered 7.1 times. As a regional, Scottish's market rating is unlikely to match the larger companies, but the small yield is the major reason why the shares have not moved higher.

Cradley advances to £185,942

As expected, pre-tax profits of Cradley Printing Company improved in the June 30 1978 year, showing a rise of £29,842 from £156,100 to a record £185,942.

After tax of £90,000 against £74,341 net profit was £95,942 (£81,759). The dividend payment is stepped up to 1.1055p net per 10p share compared with 0.99p last time.

Cradley had achieved an advance in profits at the interim stage from £70,899 to £90,378.

Richards (Leicester) to improve

PROFITS before tax of Richards (Leicester) were down from £323,000 to £242,000 in the first half of 1978 from sales of £2.71m compared with £2.64m.

Work in progress against firm contracts were significantly higher on July 2 than the comparable figure at December 31 and the directors say this should result in increased sales and higher profits during the second six months.

However, the continuing uncertainties facing the country make it impossible to be more explicit, the board states.

Earnings per 25p share are given as 5.8p against 7.75p. The interim dividend is lifted from 1.21p to 1.5p—the total last year was 3.8087p on pre-tax profits of £661,000.

Results due next week

The main features on next week's list of company announcements include full-year profits from Consolidated Goldfields, and interim results from Glaxo and Debenhams. The mail order sector gets a triple look in with announcements from Freemans, Grattan Warehouses and Empire Stores while the toy industry sees first half results from Lesney Products and Mettoy.

Consolidated Gold Fields' directors forecast of increased earnings is expected to be fulfilled when the results are released on Wednesday. The average of analysts' estimates is £71m with a tight range from £70.5m to £71.5m, compared with the 1976-77 figure of £35.6m. Earnings from construction materials companies were well ahead at the halfway mark and a strong full year result is expected. The industrial and commercial companies are maintaining last year's performance and there should be useful increases coming from Gold Fields of South Africa and share dealing activities. The one cloud over the figures is the policy regarding write-offs at Wheal Jane and Goldsworthy.

Glaxo's first half result was not terribly impressive but the general feeling at the time was that things would get better in the second half. This view still has the support of analysts who estimate the full year pre-tax figure, due to be reported on Monday, will be around £93m, compared with last year's £87m. The problem in the first half was falling margins and a slowdown in the growth of sales measured in value terms. A stronger exchange value for the pound in the second half will help the value of sales figure while price increases, granted in the UK in February, and slowly filtering through to world markets, will ease the pressure on margins. The company has indicated that the price increases could add as much as £2m to pre-tax profits in 1977-1978 and considerably more in 1978-79. As well, Glaxo's second half will have the benefit of results from the U.S. acquisition, Meyer Laboratories.

Debenham's first quarter figures showed a small improvement on the same period last year and analysts are confident that the results for the first six months, due to be released on Thursday, will be further ahead. Last year the group reported a pre-tax figure of £3.2m and the estimates for this year's first half are around £5m. Gross margins appear to be getting better and the losses in the food division last year are thought to be considerably reduced. The figures will be helped by the strong upturn in consumer demand, particularly in the provinces. Afflicted by a highly seasonal pattern of trading, the likely strong improvement in the first half results are not necessarily indicative of the performance of the group as a whole. In the past the first half has contributed slightly less than a fifth of the overall figure.

Three mail order companies—Freemans, Grattan Warehouses and Empire Stores—are reporting interims next week and a mixed set of results they are likely to be. Everybody's favourite is Freemans, with estimates ranging from £6.5m-£7.2m (£5.5m). With sales reported to be up 18 per cent in May the spending climate and steady post office charges should assure a strong first half. Meanwhile, Grattan Warehouses, due on Tuesday, is more likely to disappoint and forecasts vary from £5.75m to £6.5m (£6.1m). The company's poor catalogue in the second half last time is expected to affect the first six months of the current year. Finally analysts are going for mid-term profits of £2.85m-£3m (£2.56m) from Empire Stores, due on Wednesday—better growth is expected next year with greater efficiency and consequent margin gains coming through from the new computer programme. Mail order groups have not had the same spending boost as the High Street multiples—but a reasonable week for the sector looks in store.

Without the destocking problems of last year, and with the benefit of a sharp increase in consumer spending, Britain's toy manufacturers are heading for a record year. It all takes time to build up though, as the Christmas season normally accounts for around 50 per cent of annual production. So first half results always look low key. Next week, the two largest die cast manufacturers announce profits for the first six months. Analysts expect Lesney Products to turn in around £3m (£2.47m) when profits are announced on Monday and Mettoy about £1.5m (£1.25m) on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Bailey (Ben) Construction	Friday	0.7	0.25	Nil
BPM Holdings	Thursday	0.6875	2.175	0.5125
Consolidated Gold Fields	Wednesday	2.9015	5.3302	3.1916
Glaxo Holdings	Monday	4.0	6.21	4.5
Green (R.) Properties	Monday	0.5	0.83636	0.55
Halstead (James) (Holdings)	Tuesday	Nil	0.225	0.22
Highland Electronics Group	Tuesday	Nil	1.0725	Nil
Imry Property Holdings	Friday	Nil	0.8	Nil
Lake and Elliot	Monday	1.43	2.0614	1.432
Lawtex	Wednesday	1.5	1.787	1.5
Lockwoods Foods	Wednesday	—	3.69932	—
London and Strathclyde Trust	Wednesday	0.45	0.925	0.475
Moran Tea Holdings	Wednesday	5.0	10.0	5.0
Prestwich Parker	Thursday	0.8125	2.1875	0.8125
Scottish Metropolitan Property Co.	Tuesday	0.518152	0.948545	0.9
Wombwell Foundry and Engineering Co.	Wednesday	0.315	0.5629	0.335
INTERIM DIVIDENDS				
Aberthaw and Bristol Chan. Port. Cem.	Tuesday	2.7574	4.0	
Adda International	Thursday	0.2	0.48693	
Altifund	Wednesday	2.0	5.2	
Amalgamated Power Engineering	Tuesday	2.64	2.64	
Associated Biscuit Manufacturers	Tuesday	1.4037143	1.686	
Ash and Lacy	Friday	7.0	7.6845	
Atlas Electric and General Trust	Thursday	0.6	1.3	
Bronx Engineering Holdings	Thursday	0.4	1.172	
Bruntons (Musselburgh)	Thursday	3.0949	3.8101	
Cartwright (R.) Holdings	Tuesday	1.363636	2.272727	
Christies International	Wednesday	1.0	2.2742	
Collett, Dickenson, Pearce International	Wednesday	1.3563	1.7121	
Debenhams	Thursday	1.39032	2.76291	
Dominion and General Trust	Thursday	1.5	6.25	
Edinburgh Investment Trust	Monday	1.2	3.65	
Empire Stores (Bradford)	Wednesday	2.22	2.6046	
England (J. E.) and Sons (Wellington)	Monday	0.581	1.05662	
External Investment Trust	Wednesday	2.25	2.5	
Farnell Electronics	Tuesday	2.71	4.29	
FEB International	Thursday	0.88	1.1	
Fogarty (E.) and Co.	Wednesday	0.5451	1.70165	
Foster Bros. Clothing	Thursday	1.03805	1.911978	
Freemans (London SW9)	Monday	2.42	[illegible]	
Grampian Holdings	Friday	1.5	2.4925	
Grattan Warehouses	Tuesday	1.76	3.802	
Green's Economiser Group	Thursday	2.12	2.1205	
Harrison (T. C.)	Tuesday	1.74	2.747	
Helene of London	Monday	—	0.6707	
Hewden-Stuart Plant	Monday	0.340775	0.729858	
Hill (Charles) of Bristol	Thursday	2.0	5.26	
Intercity Investment Group	Tuesday	0.2	0.4	
Jerome (S.) and Sons (Holdings)	Monday	0.456418	2.23019	
Lee Cooper Group	Thursday	0.61875	2.2375	
Lesney Products and Co.	Monday	1.956	1.548	
Martin-Black	Thursday	2.0	2.0	
Mettoy Co.	Thursday	1.01	1.072	
Moss Bros.	Thursday	1.32727	1.90051	
Moorhouse and Brook	Thursday	0.67	4.22	
Mowlem (John) and Co.	Thursday	1.5	3.0	
Pickles (William) and Co.	Wednesday	0.29	0.396	
Reed (Austin) Group	Thursday	1.0	1.55607	
Reed Executive	Monday	1.71121	1.84	
Ruberoid	Tuesday	0.7	1.3574	
Sandeman (Geo. G.) Sons and Co.	Friday	1.8	1.31	
Selincourt	Thursday	0.45	0.771	
Silentnight Holdings	Tuesday	0.546667	1.82424	
Transatlantic and General Investments	Wednesday	2.25	2.25	
Waterford Glass	Tuesday	0.5625	0.7795	
Watts Blake Bearne and Co.	Tuesday	1.0	1.5	
Weeks Associates	Wednesday	0.5	0.8	
INTERIM FIGURES ONLY				
Dweck Group	Thursday	—	—	—
Hawtin	Tuesday	—	—	—
Levex	Monday	—	—	—
Tate of Leeds	Tuesday	—	—	—

* Dividends shown net pence per share and adjusted for any intervening scrip issue.

BIDS AND DEALS

£12.8m bid triggered for Plantation Holdings

A bid for Plantation Holdings was triggered off yesterday when a public Malaysian company, Multi-Purpose Holdings Berhad, bought out the 27.51 per cent of Plantation held for many years by the Hong Kong giant Hutchison International.

MPHB already owned 20.73 per cent of Plantation, together with its sister company Malaysian Multi-Purpose Co-Operative Society (KSM), and also bought a further 700,000 shares (1.73 per cent) in the market.

These moves brought MPHB's stake in Plantation to 49.97 per cent so it was obliged to offer the same price—64p—to the remaining shareholders.

The cash offer amounts to a total of £12.8m for the outstanding shares and mirrors yesterday's market price. It is conditional only upon clearance from the Monopolies Commission as all other consents, particularly those relating to MPHB's Malaysian registration, have been obtained.

The offer comes at a time when Plantation's Board is proceeding with a plan to hive off the Malaysian plantations side of the business, a move which could offer UK shareholders the benefit of currency premiums.

Only yesterday the company announced that the Inland Revenue had given "certain fundamental clearances" in connection with any Capital Gains Tax liabilities which might arise as a result of the reconstruction.

Now MPHB says that it intends to continue the policy of investigating the method of reorganising the company, a move which would ultimately result in the Malaysianisation of Plantation's rubber and palm oil interests in Malaysia.

MPHB itself has interests in plantation management and development as well as in property development.

For its part Plantation also has significant U.K. interests, mainly in the scientific instruments and consumer and video fields.

In its profit figures for the half year to June, published only a fortnight ago, these contributed a third of total trading profits of £1.4m. The group profits themselves were £1.25m lower than in the previous half year, largely as a result of poor palm oil crops—contributions from palm oil dropped by 36 per cent. Rubber profits were also substantially lower.

Yesterday a spokesman for Rothschild and Sons, the merchant bank advising Hutchison said that Hutchison believed that the price it had received for its shares was fair as far as it was concerned.

Hutchison had held the stake for many years but the new management is believed to have decided against keeping the stake in view of moves towards Malaysianisation and since Hutchison does not have any significant plantation interests itself.

Hambros Bank is acting for MPHB.

LRC CLOSES LOSS MAKER IN FRANCE

The trading activities of a loss-making subsidiary of LRC International in France are to be terminated. LRC is putting into liquidation its dry rubber moulding company Depex after a detailed investigation which reviewed all possible alternatives to make the subsidiary profitable.

In LRC's last financial year ending March 31, 1978, Depex made losses of £384,000, and according to LRC yesterday there were little signs that there would be any improvement in the current year.

Depex was purchased by LRC in 1975 for £280,000. The subsidiary has been affected by a spate of problems. The last reported figures showed the effects of last year's mild autumn, which upset the subsidiary's sales of hot water bottles, and the poor spring which depressed the sales of its swimming products.

Dawson rejects Baird—says 'totally unacceptable'

TERMS of the frustrated merger between Dawson International and John Haggas are revealed for the first time in the offer document from William Baird, which is now bidding for Dawson.

The merger terms, says Baird, were "excessively in favour of Haggas shareholders and wholly inequitable from the viewpoint of all other Dawson shareholders as well as Baird." Baird already has a holding of about 30 per cent in Dawson.

The Haggas proposals were revealed to Mr. Stanley Field, Baird's chairman, in his position as a director of Dawson. He says that the board of Baird now believes that it has a duty to explain its reasons for rejecting the Haggas proposals and deciding to make a unilateral bid for Dawson. "This duty cannot be properly discharged without disclosing the terms of the Haggas proposals," Mr. Field declares.

Under the planned merger, a new company would have been set up to make offers for both Dawson and Haggas. Each share in Dawson would have been exchanged for one share in the new company, while for every three shares in Haggas, shareholders would have received two new ordinary shares and 300p in cash.

In addition Dawson shareholders were to receive an interim dividend of 3p per share, while Haggas shareholders were entitled to receive a final dividend of 0.552p per share. The first dividend from the new company would be 5p per share for the year to next March.

The board of Baird has reservations about the merits of any merger of Dawson with Haggas. As for the terms, it says:—

* Haggas would be valued on an exit p/e ratio of 12.8 compared with an historic ratio for Dawson of 3.9.

* Haggas shareholders would get £12.4m of cash, whereas Dawson shareholders would get none.

* The increase in Dawson's dividend would "only be from 3.7519p per share to 8p per share, even though Dawson's own earnings per share were last year over 39p per share."

* On the basis of the last published figures attributable profits per Dawson share would be diluted by 16.2 per cent, compared with an increase of 80.3 per cent for each Haggas share.

* On the basis of their last published balance sheets, Dawson would contribute to the new company £23.3m of net tangible assets, while Haggas would contribute only £6.8m, from which must be deducted over £12.4m which Haggas shareholders would be receiving in cash for their shares.

Meanwhile, Dawson's chairman, Mr. Alan Smith, has written to shareholders to say that there is nothing in Baird's offer document to alter the view that its bid is "totally unacceptable both commercially and financially."

See Lex

CARTIERS PAYS £0.55M FOR FOODSTORES

Cartiers Superfoods has agreed to acquire four leasehold foodstores in Colchester, Grays, Newmarket and Norwich together with related plant and fixtures and a freehold car park from Socold (Holdings)—a subsidiary of J. E. Sanger—for £550,000. Payment will be made in cash from existing resources and by a five-year term bank loan of £275,000 at 2¼ per cent over LIBOR rate. In addition stock will be purchased at cost.

As a result of the acquisitions, Cartiers gross selling area of 213,500 sq ft will be increased by 95,000 sq ft and the net selling area by 58,500 sq ft to 176,500 sq ft.

LADBROKE

Dealings in American Depositary Receipts held against Ladbroke shares are expected to start in the U.S. early next week, according to the gambling and leisure group last night.

Mr. Derek Sate, Ladbroke finance director, said that he expected the Securities Exchange Commission in the U.S. to authorise dealings to start by Tuesday.

Ladbroke shares rose 7p to 193p last night on speculation that a U.S. "share quote" was imminent.

ADRs are dollar denominated securities issued against shares held by a bank or trust company.

RAYBECK

Following the announcement of the offer by Raybeck for Bourne and Hollingsworth ordinary shares, proposals are to be submitted for the repayment of B. and H. loan stock and an offer will be made for the preference shares.

The loan stock will be cancelled on the basis that holders receive £80 per cent cash plus accrued interest; the preference offer will be 100p cash per share.

The directors of B. and H. recommend the loan stock proposals and the preference offer.

ASSOCIATE DEAL

Cazenove and Co. has purchased 62,000 Ch. Goldrei Foucard and Son ordinary shares at 104½p on behalf of Northern Foods. In addition to the 34 per cent of the equity already irrevocably committed under the agreed bid, Northern has now purchased a further 9.59 per cent of the shares.

Surprise bid for Midhurst White

BY JOHN BRENNAN

HAVING FAILED in its bid English Property Corporati earlier this year the Du property group NV Beleggin maatschappij Wereldhave turned to the former prope high-flyer Midhurst White (Ho ings).

Midhurst, once earmarked the growth property vehicle City financier Mr. Oliver Jes and the late Gabriel Harrison the failed property giant Ama mated Investment and Prope learnt yesterday afternoon 44 per cent of its shares had be acquired by Wereldhave. In Morgan Grenfell, the Du group's merchant bank advisors, confirmed yester that subsequent market purcha have given Wereldhave vot control of the company.

Midhurst's board, unaware voting control has passed the Dutch group, last n advised shareholders to take action on the 48p a share off In the market Midhurst's sha rose 4½p to the offer price at close.

Midhurst's board, advised Lazard Brothers, is consider the offer. But Wereldhave appe to have achieved a fait accom in its first step into the Brit property market.

It is believed that the bulk Wereldhave's initial 44 per ce shareholding came from holders of the 43.25 per cent sha stake sold off by AIP's liquida in May 1977. At that time AIP stock changed hands 25.15p a share and the m initial purchasers were und stood to be a company controll by Mr. David Heimann, Midhurs chairman, and investment chie of stockbrokers Raphael Zorn

Wereldhave's interest in M hurst focuses on the compan 49,250 sq ft long leasehold Em Gate office block near Londo Victoria Station. On a Febru revaluation the building w valued at £5.95m boosting assets per share to around above Wereldhave's offer.

EASTWOOD FAMILY BUYING BACK CONTRACTOR

The Eastwood family is set retain a small part of the J. Eastwood business it sold to I perial Group last month for £ Sir John Eastwood is negoti ing to buy the Adam Eastw building and civil engineeri business back from Imperial a price thought to be in region of £1m.

Imperial which bought Eastw for its major poultry and m activities said yesterday that ne tiations with Sir John were ne ing completion. Mr. Bill Eastw currently joint managing direc of J. B. Eastwood is to le the group at the end of this mo to join Adam Eastwood and help in the development of ot family interests.

NO PROBES

The acquisition of a substant minority shareholding in A. Mo and Co. by Davy International a the merger of Helena Rubinste and Coty are not to be referr to the Monopolies and Merge Commission.

ISSUE NEWS

Cluff rights to raise £2.7m

Cluff Oil, a private oil exploration company, is proposing to raise £2.7m by a rights issue of Convertible "A" shares and income warrants.

The basis of the issue is that Cluff will offer 682,958 units of Convertible "A" shares and income warrants at a price of 410p per unit on the basis of one unit for every four ordinary shares held on October 6.

Cluff and Co. (Holdings) which holds 37 per cent of Cluff Oil's ordinary shares will not be taking up its entitlement of 252,721 units. Arrangements have been made by the company's brokers, Panmure Gordon and Co., for these units to be subscribed for by certain institutions.

The balance of the issue, 430,237 units, has been underwritten by Baring Brothers.

The directors, giving their reasons for the issue, say that their estimates show that the company's net commitments for the period ending December 31, 1979, after deducting available cash resources at August 31 last of £536,134, amount to around £1.5m.

Each "A" share will be convertible into an ordinary share on June 30 or December 31 in the years 1980 to 1984 inclusive.

Each warrant will entitle the holder to receive 11p net per half year on June 30 and December 31 in each of the years 1980 to 1984.

See Lex

CHOWN MERGER DETAILS POSTED

The full document containing details of the proposed merger of Chown Securities and Marlborough Property Holdings has been despatched to shareholders.

Last week it was announced that Marlborough, a private property company, was to come to the stock market via a reverse takeover of Chown.

The consideration for the acquisition of Marlborough amounts to crediting 7,047,468 new shares to Mr. M. M. Lange and 2,649,156 shares to Mr. A. S. Jolliffe.

Following the merger the existing shareholders of Marlborough will own 66.25 per cent of the enlarged issued share capital. In due course this amount will be reduced to less than 65 per cent to prevent the company becoming "close" for tax purposes.

It is proposed to pay Mr. W. Chown the sum of £10,000 as co pensation for loss of office. addition Mr. Chown will enter a consultancy agreement with company for two years.

YORKGREEN INV.

Yorkgreen Investments, wh is seeking shareholders' appro for the purchase of shares it d not already own in Inter Linear Controls, plans to expa the activity of the enlarged gro in the distribution of products the building and lighting indus Mr. D. M. Green, chairman, s in his annual statement.

For the year to April 30, Yorkgreen's profits slipped fr £9,363 to £3,779 after an exc tional write-off of £31,116 Reddrand, following an successful skateboard venture.

The accounts explain that generate earnings for Reddra it was decided to provide final and marketing assistance in manufacture and distribution an up-market skateboard. Ho ever, the market was oversold smaller than contemplated. T activity has now ceased.

UNIT TRUSTS

New trusts: a sign of the times

Is it a sign of the times in general, or is it a sign of the times at Save and Prosper, that this—still the biggest unit trust manager of them all—has just launched its first new fund since 1973? Save and Prosper would have you believe it's the latter, that the launch of its South East Asia Growth Fund marks a return to a more aggressive stance after several years of living in the shadow of its illustrious rival M. and G. And indeed, it probably does. The only question is whether, in choosing this particular market, S. and P. hasn't left its return to the offensive rather late.

Save and Prosper itself says no: that whatever the gyrations in these markets in the immediate past, there's going to be a lot of economic growth for them to reflect in the longer-term future. Save and Prosper's managers aren't alone in this view, either. Target Trust Managers, who have also been revamping their portfolio of trusts, have just completed this year's dispositions with the relaunch of Target International as Target Pacific. And Gartmore is still proclaiming the potential of the forecast, which it aims to tap with its Far Eastern Fund.

There are differences between these funds: notably, that there will be no Japanese content to the S and P. portfolio. (If you want Save and Prosper's expertise on Japan, you go through its Japan fund), whereas Target's portfolio is just over 36 per cent invested in that part of the world, and that of Gartmore 35 per cent. But there are similarities too: notably, that each fund is invested in a relatively limited number of shares (both Target and Save and Prosper say they wouldn't want more than 50 in their portfolios), and that all of them will be more aggressively managed than their British counterparts might be.

That's necessary, of course, because these markets have a history of much greater volatility than their UK counterpart. In the case of these funds, however, the delicate balance between investing in a specific area, and managing money, is still going to be tipped in favour of the former: ever Save and Prosper doesn't envisage going more than 25 per cent liquid at the most; and Target reckons on a maximum of 15 per cent. Investors in these funds must therefore be prepared to make their own decisions (unless they're going in through the life assurance link, in which case they'll have to resign themselves to sitting through the inevitable ups and downs).

The same caveat applies to the North American Trust of the new unit trust group Craigmount. Like the Far Eastern funds, this is a vehicle designed to produce capital growth through investment in a specialist market; and unless you are prepared to deal in and out you shouldn't put more than a limited amount of your capital into it. The Smaller Companies Fund which M & G has just renamed (it used to be M & G Special Trust Fund) is a rather different kettle of fish. It's invested in some 70 companies, some of them overseas: so there's a wider spread already built into the portfolio. This is a slightly less glamorous version of M & G's Recovery Fund, though it's been a better performer this year and indeed is glamorous enough, with a five year history of holding a place among the top 50 performers. But, like the Recovery Fund, and the specialist funds mentioned above, it's strictly for those in search of capital growth: the yield is only 3.9 per cent.

For those who, in contrast, are looking for income, there's a fine selection from which to choose this week. Barclays Unicorn is offering quarterly income with a combination package: its Income Trust (yield 5.1 per cent), and its Extra Income Trust (yield 8.2 per cent). Between them they offer a yield of almost seven per cent and—since the fixed interest content is tiny—good prospects of income growth. The immediate return on the Schlesinger Monthly Income Portfolio is very much higher—10.2 per cent—but the fixed interest content is higher, too.

The prospect of income gro is the big attraction to Chieftai new Income and Growth Tr which is estimated to yield so 7.3 per cent; but the income the new Cabot Preference and Trust from Henderson is not lik to rise much at all. However, at estimated 12.25 per cent, p quarterly, it provides other att tions of considerable weight.

Finally a new life company making an offer of guarante income - cum - growth. This Assicurazioni Generali di Triest Venezia, commonly known Generali, one of the top insura groups in the EEC, with assets U.S.$4.8bn. Its UK operation much smaller, with assets of o £70m, but it has been in Lond for over 50 years. Investors offered a four year bond w guaranteed anual bonuses added 9 per cent. They can take the ca value, thereby drawing income, let it roll-up, thereby securi growth. In both cases the retu is free of basic rate tax, but high rate taxpayers would receive lower net return. At the end the period the initial investme is returned, plus the bonuses. the cash has not been taken pr viously, but again there could a liability for the higher rate ta payer. The bond offers a great return than a building socie account but the investor is lock in if interest rates move highe

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Two British timber groups, **International Timber** and **Bambergers**, are planning to merge in an agreed deal worth £7.8m. International Timber is bidding three of its shares plus 170p cash for every seven Bambergers shares. The price caused some surprise in the City as speculators had been expecting a somewhat higher offer and Bambergers shares fell sharply to 77p having touched 92p ahead of the bid announcement. Directors of Bambergers are supporting the bid and have pledged acceptances in respect of their 10.6 per cent shareholdings.

Carrington Viyella, one of the main contenders in the takeover battle for **Compton Sons and Webb**, has withdrawn its bid which valued the company at around £10m. This leaves just one offer on the table—the cash and shares bid from **Courtaulds**, which values the uniform manufacturer at around £12m. However, Courtaulds may not have the field to itself for very long following an announcement from Compton that the company had received another bid approach.

Terms have been agreed for the acquisition by **Thomson Organisation** of all the remaining shares of **EC (Holdings)** not already owned. The offer is 40p a share.

Garnar Scotblair is making an agreed £340,000 cash and shares bid for **A. T. Kingswood**, a public unquoted company manufacturing and dealing in exotic leathers. The deal will increase the range of specialised light leather goods which Garnar offers, making marketing and distribution more effective.

British Petroleum and **Veba**, West Germany's biggest energy concern, are appealing to Count Otto Lambsdorff, the West German Economics Minister to overrule the decision by the Federal Cartel Office blocking Deutsche BP's DM 800m (£210m) bid for most of Veba's Gelsenberg subsidiary.

Redland has agreed to buy **Automated Building Components** of Miami, Florida, U.S., for about $26.2m. Agreement in principle was announced in June but now firm contracts have been exchanged and the deal will become effective on January 3.

Unilever has sold the major part of its 31 per cent stake in **Ellis and Everard**—acquired during an abortive bid in 1973—to **ICI** in a £2.2m cash deal. ICI has bought the stake in Ellis and Everard in order to replace a 30 per cent holding in Everard's chemicals subsidiary which ICI is selling back to the parent group for £1.4m.

Hoskins and Horton has rejected a takeover approach from the Tulbex Group because the former can see no commercial logic in the proposal.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc'ce date
Prices in pence unless otherwise indicated.						
Alida Packaging	145*	139	108	4.63	Rockware Grp.	—
Bambergers	79§§	79	88	7.81	Intl. Timber	—
Bonser Eng.	45*	44	36	2.70	Kaye Organ.	—
Bourne and Hollingsworth	235*	231	317	11.28	Raybeck	—
Compton Sons and Webb	70*	72	39	11.92	Courtaulds	17/10
Cornercroft	65*	65	56	1.62	Armstrong Equipment	12.10
Crossley Building Products	105*	104	64	7.07	Bowater	—
Customagic	21	16	10½	1.10	Mooloya Invs.	—
Dawson Intnl.	208§§	195	156	35.88	Wm. Baird	—
Eastwood (J. B.)	132*	158	90	31.53	Cargill	—
Glanfield Secs.	338	335	305	6.97	Legal & Genl.	—
Goldrei Foucard	103*	105	78	2.39	Northn. Foods	—
Lyons (J.)	154	152	97	60.52	Allied Brews.	—
Midland Educational	150*	180	120	2.10	Pentos	10/10
Mowat (W.)	22½*	41	27	0.225	Jenth	—
NY and Gartmore	47*	45	46	3.76	Bricomin	—
Trident Group Printers	85*	98	55	3.72	Starwest Inv.	6/10
Trident Group Printers	100*	98	84	4.38	Argus Press	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on October 5, 1978. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on October 6, 1978.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Armstrong Equipt.	July 2	8,667	(6,263)	8.7	(6.5)	2.265	(2.027)
Assam Frontier	Dec. 31	2,360	(4,230)	51.4	(110.9)	12.1	(—)
Bejam Group	July 1	2,080	(2,140)	7.6	(7.9)	1.621	(1.452)
Bryant Holdings	May 31	84	(2,660)	—	(4.8)	3.767§	(3.424)§
Cope Allman	July 1	9,180	(9,969)	14.6	(17.8)	3.502	(3.136)
EMI	June 30	26,000	(64,700)	7.1	(25.7)	9.38	(9.24)
Grimshawe Hldgs.	Apr. 30	29	(39)L	2.4	(—)	Nil	(Nil)
Harrisons Malaysn.	Mar. 31	24,900	(24,300)	6.7	(6.9)	4.0	(3.5)
Ingall Inds.	June 30	347	(253)	3.1	(2.7)	1.87	(1.7)
Lyles (S.)	June 30	393	(744)	6.4	(16.8)	4.059	(4.468)
MacAllen-Glen.	July 31	402	(362)	19.2	(14.4)	5.137	(4.6)
Ramar Textiles	Apr. 28	206	(275)	1.4	(1.6)	0.302	(0.211)
Saga Holidays	June 30	1,908	(1,316)	16.6	(12.2)	4.5	(—)
Sanderson Murray	June 30	149	(210)	9.3	(6.1)	3.465	(3.103)
Whitehouse Eng.	July 1	222	(179)	13.7	(11.1)	2.329	(2.086)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Averys	June 30	6,700	(6,380)	2.152	(1.927)
Beatson Clark	June 30	1,450	(1,190)	2.5	(2.0)
Beauford Group	June 30	289	(253)	1.2	(1.0)
Bunzl Pulp	June 30	6,701	(8,016)	3.162	(2.86)
Cape Inds.	June 30	5,633	(6,728)	3.195	(2.904)
Clive Discount	Sept. 30	2,120‡	(1,320)‡	2.03	(2.0)
Currys	July 26	3,810	(3,230)	1.069†	(Nil)
Exploration Co.	June 30	275	(207)	Nil	(Nil)
F.C. Finance	June 30	940	(409)	1.1	(1.0)
Finlan (John)	June 30	21	(36)	Nil	(Nil)
Finlay Packg.	June 30	242	(246)	0.275	(0.25)
Haden Carrier	June 30	1,025	(793)	3.0	(2.75)
Higgs & Hill	June 30	1,560	(1,250)	2.218	(1.986)
Hiltons Footwear	July 28	408	(205)	1.356†	(1.16)
Holt Lloyd	Sept. 9	1,960	(1,605)	3.5	(2.75)
Ingham (G.)	June 30	21	(22)	Nil	(Nil)
Jacob (W. and R.)	July 14	314	(342)L	1.2	(0.812)
Laing (Percy) Grp.	June 30	313	(683)	1.23†	(1.2)
LASMO	June 30	5,390L	(3,400)L	Nil	(Nil)
Marshall Cavndsh.	June 30	574	(1,200)	1.34	(1.32)
News Intl.	June 30	9,080	(7,900)	4.45	(4.0)
Rockware Group	July 2	3,350	(4,390)	2.228	(1.995)
Sanderson Kayser	June 30	580	(583)	1.47	(1.47)
Sears Hldgs.	July 31	31,900	(18,500)	0.5	(Nil)
Smurfit (Jeffrsn.)	July 31	8,345	(6,832)	2.812	(2.475)
Warne Wright	June 30	674	(636)	1.47	(1.32)
Wills (Geo.)	June 30	305	(445)	0.921	(0.825)
Wistahlm. Bronze	June 30	926	(646)	3.57	(3.25)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Including special dividend due to change in tax rate. ‡ Net. § Gross. L Loss.

Offers for sale, placings and introductions

Agricultural Mortgage Corporation: Issue of £2m 10½ per cent Bonds dated October 12, 1979, at par.

Sears Roebuck: London listing of common stock.

Scrip Issues

Bejam Group: One cumulative preference for 20 ordinary.

Guinness Peat: One for one ordinary.

Wolstenholme Bronze: One-for-one.

Rights Issues

Crosby House: £3 of 10 per cent convertible unsecured loan stock 1987-90 at par for five ordinary.

Yorkgreen Invs.: One-for-one at 12p.

African Lakes to do better

From turnover of £3.27m against £2.02m profits before tax of the **African Lakes Corporation** were down from £575,115 to £443,576 in the half year ended January 31, 1978.

But the directors say that with an upswing in trading in the second half, it appears likely that the year's results will not be substantially less than those for the preceding year when pre-tax profits were £1.25m.

The directors say the main reasons for the lower first half profits were that: The rate of exchange was unfavourable due to the improvement in the value of sterling.

The tea crop was slightly down due to adverse climatic conditions and prices were substantially reduced while Amropa Motors' profit was less due to the disruption of supplies to Ethiopia. The situation has since improved.

Over £113,000 for Oceana Consolidated

Taxable profit ahead from £90,510 to a record £113,034 is shown by **Oceana Consolidated** for the year to March 31, 1978, on gross revenue of £126,987, against £104,347.

Tax took £37,739 (£37,202), leaving a net balance of £75,295 (£53,308) for earnings per 25p share of 3.68p (2.59p). The net dividend is raised to 0.7444p (0.6667p) — the maximum permitted.

At half-time, when the surplus was up at £68,205 (£51,079), the directors said they expected the results for the second half to be roughly in line with the second six month of 1976-77.

Kean & Scott £18,042 loss

Kean and Scott, furniture retailer and manufacturer, incurred a pre-tax loss of £18,042 for the year to March 31, 1978, compared with profits of £59,429 last time. Turnover was down from £454,838 to £388,001.

After tax of £1,863, against £13,804, loss came out at £19,905 (£45,625 profit) making a loss per 25p share of 4.9p (8.6p earnings).

In order to conserve the group's resources, no dividend is recommended on ordinary or preference shares—dividends were last paid on ordinary shares in 1968, and preference shares dividends up to January 31, 1970.

Spong slips into losses at midway

The directors of **Spong and Co.**, hardware manufacturer and wireworker, report taxable losses of £83,052 for the six months to July 1, 1978 against profits of £35,814, and they are passing the interim dividend. Sales have slipped from £1.28m to £1.15m.

Profit for the whole of 1977 slumped from a peak of £257,334 to £36,000, and the directors then said that 1978 would be a very difficult year.

They now state, however, that the benefit from a reorganisation of the company's sales force, an improvement of much of the packaging and promotion and the introduction of some new products, is being felt and should be reflected in sales during the second half of the year.

Further new products are the director's first priority, and a development programme is well under way which they feel will make a large contribution to restoring the company to profitability.

They are confident that the right policies are being pursued for a profitable future and they hope that results for the full year will show a tangible improvement on the first half.

There was no tax charge this time, compared with £29,023 and last year the company paid a 0.44p net interim dividend per 10p share.

Tanks tops £1m halftime

MAINLY REFLECTING trading profits of £1.09m, against £0.95m, of the subsidiary, Elbar Industrial, profits before tax of **Tanks Consolidated Investments** were steady at £1.11m against £1.15m for the half year to June 30, 1978.

The profit was also struck after expenses and exploration costs of £381,192 (£331,914) and associates' losses of £130,027, against £62,036.

After tax of £630,388 (£584,300) earnings per share are given as 1.15p against 1.4p. The interim dividend is maintained at 4p—the total last year was 10p.

The directors of the group—formerly Tanganyika Concessions—say that resumption of international traffic on the Benguela Railway (in which the group has a large interest) is expected soon on a limited scale.

No income from Union Miniere, is included in the interim figures, it being established practice to account for that company's dividend on an accruals basis in the second half-year. The foreign exchange difference on the dividend accrued in the previous year is dealt with in the results for the six months ended June 30.

Foreign exchange differences arising from translation of foreign currency assets and liabilities at balance date sterling rates are treated as extraordinary items. For purposes of interim reporting, extraordinary items have been excluded.

Turnover of the trading divisions of Elbar Industrial (excluding inter-group transactions) for the six months ended June 30, 1978 amounted to £26.38m (£22.3m).

The charge for tax in the 1978 six months includes £584,833 in respect of Elbar Industrial. Current and deferred taxation will be reviewed when presenting the accounts of that company for the full year.

If tax is provided only to the extent that it is payable in the foreseeable future, it appears unlikely that Elbar's profits would suffer a full tax charge, the directors say.

Monument Secs. down in second half

Lower second-half taxable profit of £38,437, against £68,896, at **Monument Securities** left the full-time surplus for the year to March 31, 1978, down from £124,896 to £102,437. Turnover was up to £0.34m at £2.99m.

The directors say that bank indebtedness is being reduced but borrowings are still at a level where they feel a dividend could not be recommended. No payment has been made since the 0.8085p net per 10p share for 1972/3.

Tax for the year took £52,620 (£75,345) leaving a net balance of £49,817 (£49,551).

Tea accounts delayed

Plantations and Investments and **Singlo Holdings** for the year to March 31, 1978 will be delayed because the accounts of the companies' Indian subsidiaries cannot be drawn up until Indianisation arrangements have been finalised.

A. J. MUCKLOW

At the end of June this year A. J. Mucklow Group ceased to be a closed company as defined under the provision of the 1970 Income and Corporation Taxes Act, the directors state.

G. Sparrow slips £56,000

A MARGINAL decline in taxable earnings from £570,000 to £514,000 is reported by **G. W. Sparrow and Sons**, crane group, for the first half of 1978. Turnover was ahead £0.96m to £6.22m.

The directors say that there are indications of an improvement in trading conditions. Inquiries and work load for 1979 are building up at an encouraging rate, when they hope to see the rewards of the heavy investment in cranes and new developments they have made within the specialist heavy lifting industry over the past two years.

The only tax payable for the half-year is foreign tax and ACT amounting to £62,000 (£64,000). As before, no tax is payable on the UK profits because of the availability of capital allowances.

The net interim dividend is raised to 0.962p (0.862p). Last time a final of 1.29p was paid from record profit of £1.48m.

The group, whose activities include the hiring of mobile and crawler cranes and contracts for handling heavy plant, has in the past maintained a continued growth pattern. However, in April the directors warned that the then current trading conditions indicated that 1978 would be a difficult year. The first half started slowly and business was hampered by exceptionally wet weather.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	Stock
ABN	F.360	3	14.50	3	23	—	—	F.375.50
AKZ	F.30	—	—	3	4.50	—	—	F.32.20
AKZ	F.32.50	3	0.50	2	2.90	—	—	..
AKZ	F.35	—	—	—	—	15	5	..
ARB	F.78.90	—	—	2	4	—	—	F.78
EK	$60	—	—	5	6½	—	—	$63
HO	F.40	—	—	—	—	14	5	F.39
HO	F.45	—	—	—	—	11	3.50	..
IBM	$260	4	21½	—	—	—	—	$279½
IBM	$280	5	5¼	16	14¾	5	21½	..
IBM	$300	—	—	6	7½	—	—	..
KLM	F.142.90	5	22	1	25	—	—	F.163
KLM	F.150	2	15	—	—	—	—	..
KLM	F.152.40	3	13	8	20	—	—	..
KLM	F.160	11	5	—	—	1	20	..
KLM	F.161.90	—	—	14	14.50	—	—	..
KLM	F.170	2	2	3	10	6	15	..
KLM	F.171.40	10	2.20	22	11	—	—	..
KLM	F.181	5	0.40	8	7	—	—	..
KLM	F.190.50	—	—	15	4	—	—	..
KLM	F.209.50	76	0.10	99	1.50	—	—	..
NN	F.108.90	3	5.80	—	—	—	—	F.113.80
PHI	F.27.50	21	0.50	40	1.90	63	2.90	F.27.20
PHI	F.30	—	—	85	0.90	145	1.90	..
PRD	$60	—	—	5	2½	—	—	$51⅛
RD	F.140	60	0.20	7	2.70	11	4.60	F.134.40
UNI	F.120	8	7	—	—	—	—	F.127.50
UNI	F.130	—	—	—	—	1	4.20	..
XON	$50	2	2⅛	—	—	—	—	$52⅛
		Nov.		Feb.		May		
BA	$70	5	1⅞	—	—	—	—	$64⅛
OXY	$20	—	—	3	2	1	2½	$18¾

TOTAL VOLUME IN CONTRACTS 843

WORLD STOCK MARKETS

Firm trend despite rising rates

INVESTMENT DOLLAR PREMIUM
\$2.60 to £1—82½% (83¼%)
Effective \$1.9815 39¼% (40%)

FURTHER SMALL gains were scored on Wall Street yesterday when an afternoon rally barely overcame concerns about inflation and rising interest rates.

The Dow Jones Industrial Average rose another 3.55 to 880.02, making a rise of 14.20 on the week, while the NYSE All Common Index, at \$58.54, gained 15 cents on the day and 56 cents on the week. Rises led falls by 800 to 643 but the trading volume decreased 440,000 shares at 27.58m.

Analysts said the Stock Market's technical strength was a normal development following its steep slide from the yearly highs posted in September.

Rising demand for credit is likely to put more upward pressure on interest rates, complicating Federal Reserve efforts to check money growth.

Events in the Middle East unsettled a number of investors. The UN Security Council scheduled a meeting to consider a further bid to end the bloodshed in Lebanon.

The coming long weekend for New York Banks prompted some liquidation as a hedge against developments in the Middle East and President Carter's Anti-Inflation Plan, analysts said. The White House said there was a chance President Carter would decide on anti-inflation guideline over the weekend.

A Labor Department report that U.S. September unemployment rose to 6.0 per cent from 5.9 per cent in August had little impact.

Non-ferrous Metals continued strong. Inco rose \$⅞ to \$19⅞, NL Industries \$1¼ to \$23⅞, St. Joe Minerals \$1⅛ to \$29 and Alcan Aluminium \$½ to \$35¼. Amax moved up \$1⅜ to \$50⅝ — it raised its dividend.

Corning Glass climbed \$1⅞ to \$50⅞ — a Court will allow it to divest 90 per cent of its 25 per cent stake in Owens-Corning Fiberglas without tax liabilities.

Johnson and Johnson lost \$1⅛ to \$82⅛—it plans to acquire Technicare, unchanged at \$13.

Olin picked up \$¼ to \$14½ in active trading on plans to merge with Celanese, up \$½ to \$42½.

Gaming shares lost ground. Ramada Inns, the volume leader, fell \$⅞ to \$12⅝ xd, Caesar's World \$4⅛ to \$40⅛, Bally Manufacturing \$2⅜ to \$48⅝ and Harrah's \$1½ to \$24⅞. J. Ray McDermott rose \$⅞ to \$27⅞.

THE AMERICAN SE Market Value Index added 0.40 at 170.23, making a rise of 1.32 on the week.

Volume leader Resorts International "A" dropped \$3⅛ to \$45 before a trading halt — the New Jersey Division of Gaming Enforcement filed eight complaints, most with multiple charges, against Resorts.

CANADA—Rising Metal prices prompted a sharp rally, pushing the Toornto Composite Index up 10.5 to 1316.0—its highest level since October 31, 1973. Trading was active.

The Metals and Minerals Index jumyed 31.0 to 1306.3, Oil and Gas rose 5.7 to 1734.1, Banks 2.05 to 289.63, Utilities 0.60 to 194.08 and Papers 0.34 to 155.46. Only Golds, down 10.1 to 1719.5, moved against the general trend.

Inco moved up \$1⅛ to \$22⅞, Texasgulf \$1⅛ to \$29, Noranda Mines \$⅞ to \$38⅞, Dofasco "A" \$⅞ to \$29⅞ and Cominco \$¼ to \$34½.

Genstar added \$⅜ at \$37⅛—it will receive 970,000 shares of ITT for its 20 per cent holding in Qume Corporation.

TOKYO—Slightly higher after late profit-taking pared initial gains in active trading. Volume 410m (370m) shares.

Many shares rose initially on active buying by Institutions and Investment Trusts.

Pharmaceuticals rose on anticipated good earnings prospects. Green Cross up Y90 to Y2,650, Lkaken Chemical Y60 to Y3,050 and Eizai Y60 to Y1,550.

But Oils, Paper-Pulps, and Machines lower.

PARIS—Generally higher in active trading.

Banks notably better, as were Motors, Peugeot-Citroen up FFr 12 to 522. Electricals also improved. Stores mixed, as were Metals, Engineerings and Oils.

Chemicals and Buildings eased. Ferodo slightly easier on plans for a capital rise.

U.S. and Canadian shares higher, German and Dutch issues mixed. Oils, Golds and Coppers little changed.

AUSTRALIA—Firm in quiet trading, with continued recovery among Uraniums, renewed interest in selected Oils, and gains among Banks being main features.

Pancontinental rose 50 cents to A\$12.50, Kathleen Investments 15 cents to 2.65 and Queensland Mines 5 cents to 3.25.

Bank of NSW up 8 cents to 7.90 and National 2 cents to 2.82.

Dunlop gained 7 cents to A\$1.48 on its proposed A\$24m capital refund. Renison improved 20 cents to 10.60 on higher tin prices.

Bridge Oil put on 8 cents to 1.28, Santos 3 cents to 2.18 and Thiess 5 cents to 3.35.

JOHANNESBURG—Gold shares narrowly mixed in moderate trading.

Mining Financials also mixed. Platinums firmer. Bishops up 10 cents at R1.98 and Lydenburg 7 cents to R1.45.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Ramada Inns	679,400	12⅝	−⅞
McDermott	527,300	27⅞	+⅞
Applied Digital	499,700	13⅞	−1⅞
Inco	424,600	19⅞	+1
Occidental Pet.	332,600	15⅞	−⅛
Olin	317,400	14½	+¼
Sears Roebuck	241,700	22⅞	—
Exxon	215,900	52⅛	+⅞
NL Industries	214,300	23⅞	+1¼
Texaco	211,600	25	−⅛

Indices

NEW YORK—DOW JONES

	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Sept. 29	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	880.02	876.47	873.87	867.90	871.36	865.92	907.74 (6/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	88.62	88.51	88.47	88.52	88.75	88.84	90.66 (4/1)	86.75 (11/7)	—	—
Transport	246.88	246.36	245.86	244.40	244.74	244.11	261.49 (8/9)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.29	106.12	106.06	105.96	105.92	106.12	110.98 (5/1)	102.84 (22/2)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. (000's)	27,580	27,820	25,140	22,650	18,580	25,610	—	—	—	—

* Basis of Index changed from August 24

Ind. div. yield %	Sept. 29	Sept. 22	Sept. 15	(Year ago approx)
	5.48	5.50	5.39	5.32

STANDARD AND POORS

	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Sept. 29	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	114.84	114.57	114.56	113.75	114.22	115.72	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
Composite	103.52	103.27	105.06	102.60	102.96	102.54	106.99 (12/9)	86.90 (6/3)	125.86 (11/1/63)	4.40 (1/6/32)

	Oct. 4	Sept. 27	Sept. 20	Year ago (approx.)
Ind div. yield %	4.79	4.86	4.85	4.67
Ind. P/E Ratio	9.59	9.43	9.43	9.18
Long Gov. Bond yield	8.64	8.58	8.47	7.65

N.Y.S.E. ALL COMMON

Oct. 6	Oct. 5	Oct. 4	Oct. 3	1978 High	1978 Low
58.54	58.19	58.03	57.80	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Oct. 6	Oct. 5	Oct. 4
Issues traded	1,878	1,896	1,878
Rises	800	871	740
Falls	643	594	698
Unchanged	435	431	440
New Highs	—	—	—
New Lows	—	—	—

		Oct. 6	Oct. 5	Oct. 4	Oct. 3	1978 High	1978 Low
MONTREAL	Industrial	219.75	218.32	215.74	215.45	219.75 (6/10)	162.90 (16/2)
	Combined	222.98	221.66	218.82	219.84	222.98 (6/10)	170.62 (30/1)
TORONTO	Composite	1316.0	1305.5	1295.1	1290.8	1316.0 (6/10)	998.2 (30/1)
JOHANNESBURG	Gold	264.8	264.6	266.5	253.8	272.0 (14/8)	186.0 (20/4)
	Industrial	267.2	267.1	266.0	264.7	271.1 (15/9)	194.9 (13/3)

	Oct. 6	Pre-vious	1978 High	1978 Low
Australia(§)	557.70	557.16	566.79 (22/8)	411.19 (1/3)
Belgium (‖)	99.88	99.73	101.16 (8/8)	90.43 (23.5)
Denmark (**)	94.32	94.34	98.96 (19/6)	94.00 (6/2)
France (††)	81.8	82.3	83.0 (4/10)	47.6 (5/2)
Germany (‡‡)	851.0	855.4	866.7 (3/10)	759.4 (17/0)
Holland (§§)	82.4	82.4	93.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	614.93	602.28	707.70 (4/9)	383.4 (13.1)
Italy (‖‖)	79.63	79.43	82.50 (25/9)	55.45 (10/1)
Japan (a)	435.76	435.46	435.76 (6/10)	364.04 (4/10)
Singapore (b)	376.75	373.67	414.50 (8/9)	252.0 (9/1)

	Oct. 6	Pre-vious	1978 High	1978 Low
Spain (d)	97.65	97.31	110.78 (9/5)	87.89 (17/3)
Sweden (e)	382.10	378.21	405.00 (4/2)	325.74 (3/1)
Switzerld (f)	271.0	271.2	323.7 (14/2)	261.6 (25/3)

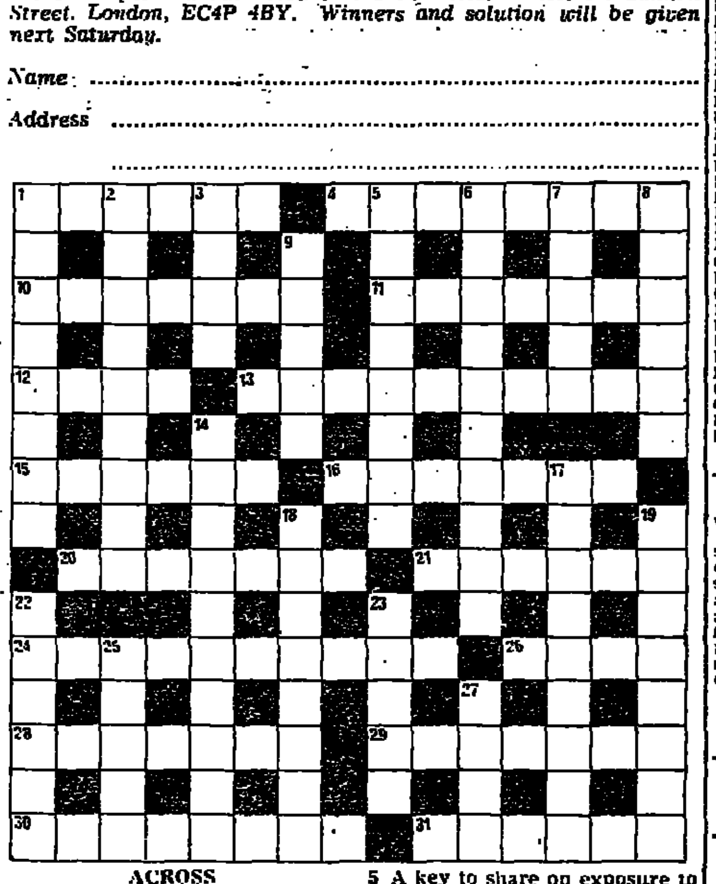
Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300—1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

F.T. CROSSWORD PUZZLE No. 3,790

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



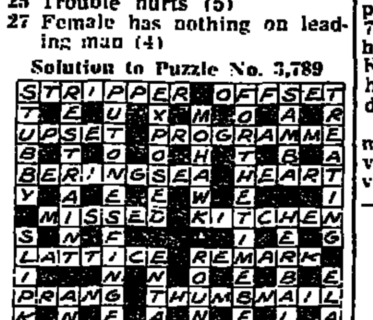
ACROSS

1 Complete substitute (4, 2)
4 Safe as houses for a start with some members missing (8)
10 Groom brings friction to the ground (3, 4)
11 Sailor goes round West End doing the dirty on friends (7)
12 What might be gained with pull (4)
13 Strive in vain to go one better than flying (4, 3, 3)
15 Burden with mutton (6)
16 Touching source of information (7)
20 Nonsense to say seer was hot-headed (7)
21 Month to welcome a group of eight (6)
24 Like sound of ancient empire builders making attacks on reputation (10)
26 By Jupiter she was loved while swanning around (4)
28 Fanciful conception with which to ring artist (7)
29 Take charge before the team (7)
30 Member of the opposition in the stores is terrible (8)
31 Disguised in shelter (6)

DOWN

1 Pipe played when things get heated (4, 4)
2 May first party be given time (6, 3)
3 Image for one to study (4)
5 A key to share on exposure to atmosphere (8)
6 Staff at wedding that strikes in the end (5-5)
7 Little by little boy acquires a girl (5)
8 Useless to upset Georgia over railway sweet (6)
9 Girl given vote to take over (5)
14 Blooming grounds for taking river over county (6, 4)
17 Arrange a truce and go over to gas? (5, 4)
18 Breathing sound making serpent angry (8)
19 Declining to spend period going over part of Bible (8)
22 Surgeon in the cavalry (6)
23 Bargain with oriental bird (5)
25 Trouble hurts (5)
27 Female has nothing on leading man (4)

Solution to Puzzle No. 3,789



SOLUTION AND WINNERS OF PUZZLE No. 3,784

Following are the winners of last Saturday's prize puzzle:

Mrs. R. L. Adam, 9, Marline Avenue, Bromborough, Wirral, Merseyside L63 0JR:

Major J. M. Langley, 16, Old Camp Road, Eastbourne, East Sussex

Dr D. J. MacMillan, Bonney House, Moditonham, Botus, Fleming, Saltash PL12 6NN.

SPAIN

October 6 — Per cent

[illegible]

BRAZIL

[illegible]

Turnover Cr.73.4m. Volume 43.7m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. ♦ DM 50 denom. unless otherwise stated. ♥ Ptas. 500 denom. unless otherwise stated. [illegible] including Unilac div. p Nom. a Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

RACING — BY DOMINIC WIGAN

Dasman looks well in with 7st 8lb

JOHN SUTCLIFFE, whose Epsom stable has been having a quiet time of late, with few notable triumphs, could well land today's William Hill Cambridgeshire with that still improving gelding Dasman.

For a three-year-old with four smart recent efforts and a Timeform rating of 107, this chestnut son of Tower Walk appears particularly well in with 7 st 11 lb. Furthermore, that highly proficient apprentice Kevin Darley will be reducing his weight by 3 lb, having no difficulty in riding at 7 st 8 lb.

A reproduction of Dasman's most recent form—a game victory over Smackover in a valuable event at Newbury—should give those who have backed him from 25-1 to under half those odds a fine run for their money.

NEWMARKET

1.45—Thatching**
2.20—Be Sweet
3.00—Dasman
3.35—Shangamuzo***
4.05—Persian Sapphire
4.35—Mormans Way
5.05—Virgin Soldier

Unlikely to be far away at the finish is the recent "inquiry" colt Colonel Parker, from whom Neville Calaghan has snapped up Lester Piggott in the absence of the lame Home Run.

Although he has failed to make much impression this season and will be carrying 3 lb overweight (Piggott being unable to make the allotted 8 st 2 lb), Colonel Parker cannot be ruled out if, as reports suggest, he has recaptured the two-year-old form that had him defeating Celebrated at odds of 25-1 on the July course last summer.

Of the remainder I have most regard for fast-ground specialist Rheinland, partnered by Pat Eddery, who makes a welcome return to the fray, and for the Co. Durham challenger Claudio Nicolai. The last named, out of racing for most of the summer and with just one recent race under his belt, will strip fresher than almost any of his 17 opponents, and it is to him that I will be looking for the chief threat to Dasman.

Although it is difficult to ingore the claims of Billion's eight-length Doncaster Cup conqueror, Buckskin, in the Jockey Club Cup, I believe that the ground (on the fast side of good) will probably prove his undoing. A better proposition seems to be the ultra-consistent Shangamuzo, who has not run a bad race all season, and who may well have been in need of the outing when third at Doncaster following a hold-up in his work.

Both Count Carlos and Virgin Soldier seem sure to come in for strong support in the second division of the Westley Maiden Stakes, and I find it difficult to choose between them.

Bill Wightman's Count Carlos did well to run Kilroy Hawk to half-a-length at Goodwood last time out, but I slightly prefer the once-raced Virgin Soldier, a three-length second to Hardgreen when not full wound up at the last meeting here.

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ♦

[illegible]

PARIS

[illegible]

AUSTRALIA

[illegible]

TOKYO ¶

[illegible]

Source: Nikko Securities

VIENNA

[illegible]

STOCKHOLM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN ♦

[illegible]

SWITZERLAND ♦

[illegible]

MILAN

[illegible]

OSLO

[illegible]

JOHANNESBURG

MINES — [illegible]

INDUSTRIALS — [illegible]

Securities Rand U.S.\$0.[illegible]
(Discount of 35.6[illegible]%)

INTERNATIONAL FINANCIAL AND COMPANY NEWS

هكذا من الأصل

Hong Kong exchanges proposal rejected

By Anthony Rowley

HONG KONG, Oct. 6.

…IE Official Securities Commis- …n here has rejected a pro- …sal from the Federation of …ock Exchanges that afternoon …ading on the Colony's four …ck exchanges be abandoned.

Moves towards limiting trad- … to morning sessions only …me from the broking com- …nity, which is currently in- …dated with paper work (pro- …ssing scrip deliveries) because … the high levels of turnover … the stock market.

Although the Hang Seng …lex, currently standing at …und 600 is at only about one …rd of the level reached in the …2-73 boom, the levels of daily …nover being attained are …ghly equal to that now.

The proposal to limit trading … mornings was adopted unani- …usly at the Federation's Sep- …ber 21 meeting on the recom- …ndation of Mr. Ronald Li, …irman of the Far East Stock …change.

…he Securities Commissioner, … Uisdein McLnnes, declined to …te reasons why the proposal, …ich would have meant a 45 …nute extension of morning …ding has been rejected. A …kesman for the Stock Ex- …nge Federation said the …tter would go back to them … consideration.

…pponents of the reduced trad- … hours argued that it would …ersely affect the link-up be- …en stock market trading here … on other principal stock …hanges in Asia and in Europe … that it would lead to a …stic reduction in turnover.

Dutch builder forecasts major profits advance

BY CHARLES BATCHELOR

AMSTERDAM, Oct. 6.

STRIKING INCREASES IN sales and profits are forecast for 1978 by the Dutch construction company, Ballast-Nedam.

In its interim statement, the company said it expected net profits to rise by 36 per cent to around Fl 24m, or $11.6m, this year while turnover is expected to increase by 42 per cent to Fl 1.7bn, some $825m.

No details of results in the first half of the year were given, but profits per share were estimated at about Fl 15.70 for 1978 against Fl 13.80 in 1977. Following the placement of 250,000 shares with an investment group, Minefa Holdings, last January, Ballast-Nedam now has 1.52m ordinary shares outstanding.

In a review of progress the company said its Fl 4.7bn housing project in Saudi Arabia—the largest ever won by a Dutch construction group—was progressing according to plan. Profits and turnover of the dredging division, which accounted for 16 per cent of turnover in 1977, were disappointing, however. The market in Holland and abroad "is difficult and this division will make a loss this year."

The construction and housing divisions lived up to the positive expectations though. The company's order book is currently around Fl 4.8bn compared with Fl 5.5bn at the start of the year. Prospects for additional orders are "reasonable."

Ballast-Nedam continues to seek a better geographical spread of orders. Its order book is currently heavily weighted towards the Middle East. The company views the future with confidence.

● Two other Dutch construction groups, Stevin and Adriaan Volker, have reached complete agreement on their planned merger. The joint statement confirmed the bid conditions announced at the beginning of September. The new holding company will offer 1½ shares and one Fl 20 convertible debenture for each Volker share and one share for each Stevin share.

Industry in Holland earns less

BY OUR OWN CORRESPONDENT

AMSTERDAM, Oct. 6.

QUOTED DUTCH companies in the industrial, trading and transport sectors saw net profits fall by 7 per cent in 1977 on turnover 6 per cent higher than the year before. The fall in trading profit was nearly 11 per cent, but this was partly made up for by higher earnings on minority holdings and a lower tax charge.

These figures are contained in a Central Statistics Office survey of 157 Dutch companies quoted on the Amsterdam Stock Exchange. Only the Dutch element of transnational companies such as Royal Dutch Shell, Estel and Unilever are included. The banking, insurance and investment sectors do not form part of the survey. The companies covered made a combined net profit of Fl 5.2bn (2.5bn) on sales of Fl 198bn (94bn) in the last full business year.

The most successful sector comprised the 40 trading companies which increased net profit by 15 per cent on a 14 per cent rise in sales. The five "internationals" saw profits fall by nearly 7 per cent on 5 per cent higher sales, while shipping and airline companies' net profits fell 15 per cent on 2 per cent higher sales.

Trading profits of the industrial companies were 43 per cent lower than in 1976. Despite the overall fall in net profits, cash and stock dividends rose by 5.5 per cent to Fl 2.4bn.

Invested funds rose by 8 per cent to Fl 162bn compared with an increase of only 0.5 per cent to the year before. Fixed asset investment rose by 13 per cent to Fl 59.4bn after falling by one per cent in 1976. These figures are distorted, however, by currency parity changes; allowing for this, fixed asset investment rose. Fl 7bn in 1977 compared with an increase of Fl 4bn the year before. Borrowed funds were used to finance 39 per cent of assets in 1977 compared with 32 per cent in 1976.

Heavier BP France loss

BY OUR FINANCIAL STAFF

A SHARPLY increased loss is reported by BP France for the first six months of 1978. The deficit emerges at FFr 248m or nearly $60m, compared to a loss of FFr 55.3m a year earlier.

For the whole of 1977 the company turned in a loss of FFr 132m largely as a result of price controls and a decline in consumption in the French market. For the fourth year running the company again failed to pay a dividend.

Last month the company announced a FFr 290m rights issue. At the time the parent company, British Petroleum, said that if necessary it would take up the full offer.

● Societe Ski Rossignol, a leading French manufacturer of skis, has acquired the equity of Acro Inc. of Boston, Massachussets, makers of aluminium tennis rackets. Terms were not disclosed.

The operation, through its American subsidiary Rossignol Ski Company, is the second acquisition in the U.S. in the field of tennis rackets.

With the latest acquisition, Skis Rossignol has an annual capacity of 1m tennis rackets, over 60 per cent of which are made in the U.S.

● Societe Generale, the major French nationalised bank and Thomas Cook are to jointly issue travellers cheques denominated in French francs, beginning next Monday. The travellers cheques will be negotiable in 145 countries.

Arab bid for Canadian refinery

By Robert Gibbens

MONTREAL, Oct. 6.

FIRST Arabian Corporation, a Luxembourg-registered company controlled by Middle East interests, has now made a formal takeover proposal to the first mortgage holder and other secured creditors of the 100,000 barrels daily Come-By-Chance oil refinery in Newfoundland.

Details of the deal remain secret. First Arabian became interested in the mothballed refinery in mid-1977 and this summer put in a preliminary bid. First Arabian is the group reported to be negotiating to take over the Puerto Rican refinery of the troubled Commonwealth Oil Refining Company in the U.S.

The chairman is Mr. Roger E. Tamraz, 38-year-old Harvard-trained Lebanese investment banker. First Arabian controls the Commonwealth Bank of Detroit and has been described as a syndicate of wealthy Kuwaiti and Saudi investors. Saudi financier Ghaith Pharaon sold his interest earlier this year.

The First Arabian offer would mean rehabilitation of the Newfoundland refinery. It is reported to have been made through the Toronto offices of the Receiver, Peat Marwick and Co., to the first mortgage holder, the U.K. Export Credits Guarantee Department, and secured creditors, bankers Kleinwort Benson, and the Newfoundland Government.

The refinery, built by the Shaheen interests of New York, was declared bankrupt two years ago and debts were estimated at C$600m.

At the time of the bankruptcy assets were shown at around C$400m. It is believed the First Arabian offer is in the form of a letter of intent and the secured creditors would have 45 days to consider the terms. It would involve extensive re-financing of the operation: repair and rehabilitation, oil industry sources say, would cost between C$25m and C$50m and would take at least one year.

A proposal to take over the refinery by the UK Ultramar group was rejected earlier this year. The Newfoundland government objected to suggestions it should be used for oil storage and trans-shipment for an initial period.

Reserves shown by CBC Sydney

BY JAMES FORTH

THE COMMERCIAL Banking Company of Sydney (CBCS) today revealed previously undisclosed reserves totalling A$31.5m (US$ 36.6m) in order to prevent speculation in the market price of the bank's shares.

The CBCS is the second bank to disclose its "inner reserves" since the treasurer, Mr. Howard announced last month that the banks would in future be required to provide more information.

The CBCS would not be obliged to disclose these reserves until it reported on results for the six months to December, 1978, but the Government owned Commonwealth Banking Corporation has already disclosed additional reserves of about A$233m.

This was larger than generally expected and resulted in bank shares moving up in market. At the CBCS annual meeting today the chairman, Sir Robert Crighton-Brown said that the Board believed the additional information should be given to prevent any misunderstanding and to prevent speculation.

The hidden reserves were made up of A$16.7m in contingency reserves, A$9.2m in provision for long service leave, A$4.3m for accrued staff benefits and a A$1.3m provision for self insurance risk. Sir Robert said that undisclosed reserves had been maintained at an appropriate level in the past having regard to the capital base.

For the year to June 30, CBCS earlier announced a strong recovery, helped by a combination of higher earnings from the banking operations and a smaller loss from the finance company offshoot. Group profits were A$7.0m (US$8.1m), less than the A$10.5m earned in 1975-76, but a solid recovery on the profit of A$619,000 recorded in 1976-77.

The major reason for the setback last year was a heavy loss by the finance arm, Commercial and General Acceptance, mainly because of provisions against property loans. The CBCS and the Bank of America have since bought out the public holdings in CAGA, with the CBCS now owning 81.5 per cent. The CBCS share of CAGA's deficit contracted from A$5.73m to A$3.63m.

Bushells in bid talks

BY OUR OWN CORRESPONDENT

SYDNEY, Oct. 6.

THE REJECTION last month by the Australian Government of a A$34.3m takeover bid by the UK group Brooke Bond Liebig has not deterred the board of of the tea and coffee group, Bushells Investments. The directors of Bushells today announced that discussions were under way which could lead to an offer, and advised shareholders not to sell pending a further announcement.

No further details were given but a representative of Morgan Grenfell, the advisers to Brooke Bond, confirmed that the UK group was still interested in pursuing its bid.

A new package was being worked on which it was hoped would be acceptable to the Foreign Investment Review Board and the Government.

The only reason given for the rejection of Brooke Bond's original offer was that it was not in the national interest. The price was unlikely to have been a factor as the offer of A$5.565 a share was regarded in most quarters as very attractive. It is suggested that one stumbling block was that the Government wanted to see a substantial local equity retained. Brooke Bond was reportedly agreeable to allowing some local equity but would not specify a timetable. Presumably the new package would focus upon these aspects.

Brooke Bond may not be the only party holding talks as it is widely rumoured that at least one major Australian group is also showing interest in making a bid.

SBC opens in Panama

SWISS Bank Corporation, of Basle, has established a subsidiary company in Panama with the title of Sociedad de Banca Suiza (Panama) SA, writes John Wicks from Zurich.

Activities will centre on links with commercial clients, especially multi-national concerns, in Panama and the canal zone. The new subsidiary augments the services already provided by Swiss Bank Corporation (Overseas) SA, of Panama, and a representative office there which maintains contacts with Central America.

Chemicals plan by U.S. Steel

By Stewart Fleming

NEW YORK, Oct. 6

U.S. STEEL, the company which dominates the U.S. steel industry, is in an advance stage of negotiating a major diversification into the chemical industry.

The company is discussing with an unnamed partner an investment of $500m in a new ethylene producing facility. Ethylene is the basic building block for several plastic products including polyethylene, styrene, and polyvinyl chloride.

U.S. Steel already has a significant commitment to the chemical industry, with assets in its chemical division of around $550m. It is assumed that its negotiations for a major expansion of the division are with a leading oil company, since this would ensure the company of feedstock supplies.

U.S. Steel accounts for about one quarter of U.S. domestic raw steel production. About three-quarters of its annual sales revenues of $9.6bn come from steel. But the steel industry has been subject to violent swings in profitability and also in some of its major markets, such as the automobile industry, to intensifying competition from other materials, including plastics.

An investment in petrochemicals could therefore be seen as a diversification into a a business related to its existing markets and into a product group which has greater growth potential than steel.

At present however, ethylene capacity in the world is running ahead of supply. The company must hope however that if it does make the investment, then by the time the plant comes on stream the growth of the market will have soaked up the excess capacity.

The company says that the investment it is considering is a plant that produces 1bn tons of ethylene a year.

Swiss bank taxes

ACCORDING TO a spokesman of the Swiss Finance Ministry, the Government is next week to present recommendations on possible new taxes for banking operations to a consultative committee of the States council reports John Wicks from Zurich. No details are available on what these taxes might be, since the committee will decide on whether they should be published at this stage.

…OMMODITIES/Review of the week

…urge in tin and lead prices

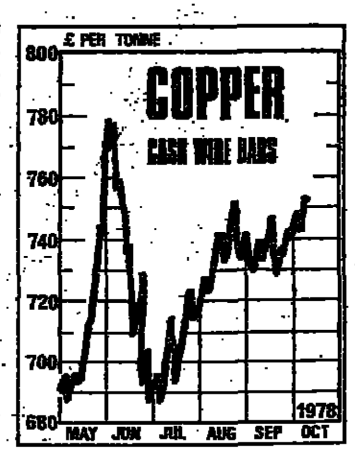
…Y OUR COMMODITIES STAFF

…PRICES HIT record levels …he London Metal Exchange …erday. Standard grade cash … jumped by £110 to close at …55 a tonne, up £345 on the …

…orecasts of another decline …ME warehouse stocks of tin, … a tightening squeeze on sup- …, brought in some steady …e buying that more than off- … speculative selling. The …end was also encouraged by …rts suggesting that prospects … fading for approval of the … of stockpiled tin by Congress …re it goes into recess at the … of next week.

…ad also rose spectacularly. … night cash lead closed at …25 a tonne, £50.75 up on the … and not far below the all- … levels reached in March … A significant feature of the …ket is that cash lead has …d to a substantial premium … the three months quotation …lighting the shortage of …ediately available supplies. … feared that this scarcity may …en as a result of sustained …y buying by Far East and …munist bloc countries, …bly the Soviet Union. … and comes at a time when …ary lead production has been …ced by output cuts in its …r meal, zinc. The lead boom … better than expected con- …r demand, also brought a …g advance in zinc prices. … zinc closed £31 up on the … at £362.75 a tonne after …ng £13.625 yesterday.

…oducers now appear to have …tablished control over the market with the rise in the European producer price from $625 to $675 a tonne. In the U.S. domestic price increases for zinc, lead and copper were announced by leading producers throughout the week.



London copper prices failed to match the rise in other base metals. Cash wirebars closed last night only £13.75 up at £753 a tonne. The market was subdued by the news that Zambia was planning to resume shipping copper exports through Rhodesia and that the Benguela railway might also be re-opened.

News that Zambia had told leading fabricators it would cut their supplies under long-term contracts by 50 per cent next year failed to excite the market.

Cocoa held firm yesterday despite news that U.S. grindings fell by 9.8 per cent in the third quarter of the year. The market had been expecting a fall of about 5 per cent, but after dipping briefly prices rallied to close near the highs of the day with the March position at £1,971.5 a tonne.

Coffee values climbed. January gained £119 to £1,557.5 a tonne. The upward trend was attributed to rumours that the producers were supporting the market following the failure last week to reach an export quota agreement under the international coffee pact. A face-saving formula agreed at the coffee pact talks was that the question of export quotas and a trigger price would be discussed again if prices moved above certain levels. It is felt that the producers are seeking to ensure that they do

World sugar prices ended the week virtually unchanged on the London terminal market. The daily raws price yesterday was £1 a tonne lower than last Friday at £110 a tonne.

The main influence which brought recent advances to a standstill was the failure of the U.S. Congress to agree domestic sugar policy, which means the U.S. can still not ratify the International Sugar Agreement.

Traders seemed happy with the start made by the new white sugar futures contract launched in London on Monday.

The aluminium futures market was also successfully launched on the London Metal Exchange this week.

…EKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
…s					
…nium	£710	—	£680	£710	£680
…larket c.i.f.	$1,070/90	—	$950/70	$1,065	$956
…ony (99.6%)	£1,825	—	£2,150	£1,925	£1,526
…larket (99.6%)	$2450/600	—	$2,700-750	$2,475	$2,135
…r					
…Vire Bars	£753	+13.75	£696	£778.5	£612
… Do. Do.	£772.25	+14.5	£708.25	£798.75	£624.75
…athodes	£741	+13.5	£686.5	£775.5	£602.5
…th Do.	£760.25	+14.0	£698.25	£793.5	£614.75
…er oz.	$223.375	+6.0	$154.125	$223.375	$166.125
…ash	£419.25	+50.75	£342.75	£412	£275.25
…ths	£407.75	+34.5	£348.75	£406.75	£290.25
…	‡	—	‡	£2,566	£2,568
…larket c.i.f. lb.	$1.78/80	—	$1.80/2.0	$2.0	$1.775
…um per oz.	£130	—	£94/98.5	£133.0	£96
…larket per oz	£149.65	+6.05	£96.4	£149.65	£96.4
…uiver (76lbs.)	$120/25	-2.0	$130/135	$152.5	$122.5
… per oz.	294.95p	+7.7	253.55p	299.75p	250p
…ths per oz.	302.35p	+7.85	267p	306.95p	255.9p
…sh	£7,355	+345.0	£6,840	£7,290	£5,690
…ths	£7,122.5	+275.0	£6,840	£7,087.5	£5,717.5
…sten Ind.	$142.94	+1.88	—	$142.94	$134.24
…m (22.04lb.)	$142/47	+1.0	$142/47	$172.5	$150.5
…ash	£362.75	+31.0	£287.25	£349.125	£235.25
…ths	£369.75	+11.0	£293.25	£356.75	£237.75
…icers	$675	—	$700	$675	$550
…s					
… EEC	‡	—	£75.5	‡	‡
… Futures	£83.2	+0.6	£69.3	£87.75	£70.05
… No.3 Yellow (American)	£103	+1.5	£88.25	£108.75	£89.5

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Wheat					
No. 1 Red Spring	£93.3	+0.55	£82.8	£98.5	£83.5
Am. Hard Winter (Oct.)	£84.55	+0.55	‡	£91.5	£80.75
Eng. Milling (new crop)	£91	+0.25	£91.25	£105	£89.5
Spices					
Cloves (g)	£3,975	—	£6,000	£5,000	£3,900
Pepper, white	$2,900	+175.0	$3,025	$3,300	$2,575
Black	$1,900	+100.0	$2,300	$2,450	$1,575
Oils					
Coconut (Philip'nes)	$775	-10.0	$605	$820	$632.5
Groundnut 5%	‡	—	£647	£770	£587
Linseed, Crude	£320	—	£278	£365	£256
Palm Malayan	$610	+5.0	$455	$640	$495
Seeds					
Copra (Philippines)	$535	—	$347.5	$547.5	$372.5
Soyabeans (U.S.)	$278	+8.0	$222.5	$315	$234
Other Commodities					
Cocoa Shipments	£2,021	+41.0	£2,514	£2,153	£1,511
F'ts 2nd pos	£1,971.5	—	£2,188.5	£2,092.5	£1,435.5
Coffee Futures Jan.	£1,557.5	+119.0	£1,713.5	£1,962.5	£1,092
Cotton Index	75.15c.	+0.35	59.65c.	74.85c.	61.35c.
Des. Coconut	£646	—	£750	£760	£606
Jute LJABW Grade	$502	—	$428	$502	$437
Rubber kilo	62.5p.	+0.5	56p	62.25p	46.5p
Sago Pearl	£178	—	£198	£190	£177
Sisal No. 2 L	$530	+10.0	$600	$585	$520
Sugar (Raw)	£110	-1.0	£101	£114	£81
Tapioca No. 1	£185	—	£188	£180	£172
Tea (quality) kilo	170p	—	160p	160p	127p
(plain) kilo	79p	+1.0	92p	98p	60p
Wooltops 64s Warp.	273p kilo	—	282p kilo	283p kilo	267p kilo

‡ Unquoted. * Nominal. g Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Steady. Forward metal opened at £774 and edged up to £776 on the pre-market, but news that Zambia had opened the rail route to Rhodesia prompted small selling taking the price down to £771 in early afternoon. A firmer Comex opening then helped forward to stage a modest rally with the price finally £773.5 on the late Kerb. Turnover: 23,600 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Wirebars				
Cash	752.5-3	-1	752.5-3.5	+1
3 months	771.5-2	-2.5	772-.5	......
Settl'm'nt	753	-1	—	......
Cathodes				
Cash	741-2	+.5	740.5-1.5	+1.75
3 months	760.5-1	-1.75	760-.5	......
Settl'm'nt	742	+.5	—	......
U.S. Smt.	625	......	53-55	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £753, three months £775, 76, 75, 74, 73.5, 74, 73, 72, 71.5, 72. Cathodes, three months £760, £760.5. Kerb: Wirebars, three months £772, 71.5, 72. Afternoon: Wirebars, three months £771, 71.5, 72, 72.5, 73, 72.5, 72. Kerb: Wirebars, three months £773, 73.5, 73, 73.5, 74, 74.5, 74, 73.5.

TIN—Very firm and active. After opening at £7,060 on the Penang rise forward standard metal came under heavy profit-taking very well met by trade buying, which lifted the price to £7,090. But it then eased to £7,060 on hedge selling. Afternoon trading featured aggressive chartist buying as the price moved over £7,100, with forward tin closing at £7,130, after £7,135. Turnover: 1,650 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7305-15	+52.5	7355-70	+117
3 months	7070-90	+52.5	7140-60	+92.5
Settlem't	7315	+50	—	......
Standard				
Cash	7330-5	+45	7350-60	+110
3 months	7060-5	+25	7120-5	+77.5
Settlem't	7305	+45	—	......
Straits E.	‡$1895	+9	—	......
New York	—	......	*668.40	-9½

Morning: Standard, cash £7,310, 15, three months £7,050, 60, 55, 70, 65, 60, 65, 60, 65, 60, 62, 60. Kerb: Standard, three months £7,065, £7,070. Afternoon: Standard, cash £7,340, three months £7,080, 85, 90, 95, £7,110, 20, 30 20, 15, 20, 18, 20. Kerb: Standard, three months £7,125, 30, 25, 20, 25, 30, 25, 20, 25, 30, 32, 30, 31, 30.

LEAD—Higher again in hectice trading. Further heavy buying of both cash and forward metal took the latter up to the day's high of £413, with the backwardation widening to £10 at one point. However, a revision of earlier stock decline forecasts brought some profit taking which pared the price to £408.5 on the late kerb, or about £35 higher on the week. Cash rose about £50 on the week. Turnover: 12,325 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	416-.5	+9	418.5-20	+7.25
3 months	406.5-7	+8	407.5-8	+1
Sett'ment	416.5	+9	—	......
U.S. Spot	352.5	......	331.33	......

Morning: Cash £416.5, £416, 17, 16.5, three months £409, 10, 9.5, 9, 8.5, 7, 7.5, 6.5, 7, 7.5, 7.25, 7. Kerb: Three months £407, 7.5. Afternoon: Cash £419, 18, three months £407, 6.5, 7, 8, 8.5, 8, 7.5, 8. Kerb: Three months £408, 9.5, 10, 11, 10.5, 10, 9.5, 8.

ZINC—Sharply higher following straddling operations (selling lead and buying zinc). After remaining quiet for most of the morning around the £360-2 level, aggressive buying of both cash and forward lifted the latter to a day's high of £371 before it closed at £370 on the late kerb, with the contango narrowing to £6. Cash and forward were £31 and £28 higher respectively on the week. Turnover: 13,400 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	354-5	+7.75	362.5-3	+15.6
3 months	363-.5	+7	369.5-70	+11
S'ment	355	+8	—	......
Prim. west	—	......	29.31	......

Morning: Three months £359, 58.5, 59, 60, 58.5, 59.5, 60, 61, 62.5, 63, 63.5. Kerb: Three months £363, 63.5, 64, 64.5, 65. Afternoon: Cash £361, 61.5, 62, 62.5, three months £364.5, 66, 68, 67.5, 68, 68.5, 69, 68, 69, 69.5, 69, 70, 69.5. Kerb: Three months £369, 69.5, 70, 69.5, 70, 71, 71.5, 72, 71, 70, 69.5, 69.

ALUMINIUM—Three months morning close £586.25 (£594): afternoon close £586.25 (£583.75). Trades morning: Three months £584.5, 85, 86, 86.5, 87, 86.5. Afternoon: Three months £586.5, 86. Kerb: Three months £587, 86.5. Trades 1,075 (400).

* Cents per pound. $ SM per picul. † On previous unofficial close.

SILVER

Silver was fixed 0.3p an ounce lower in the London bullion market yesterday at 294.95p. U.S. cent equivalents of the fixing levels were: Spot 583.7c, down 0.7c; three-month 598.7c, down 1.1c; six-month 604.3c, down 1.7c; and 12-month 625.9c, down 1.0c. The metal opened at 294½-295½p (583½-585c) and closed at 294-295p (583-584½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	294.95p	+0.3	294.7p	+0.4
3 months	302.35p	+0.25	301.95p	+0.2
6 months	310.45p	+0.05	—	......
12 months	327.2p	+0.5	—	......

LME—Turnover 76 (480) lots of 10,000 ozs. Morning: Cash 294.9; three months 302.3, 2.2, 2. Afternoon: Three months 302, 1.9, 1.7, 1.8, 1.9, 1.7, 1.9. Kerb: Three months 301.9, 1.8, 1.6.

COCOA

In quiet conditions values remained within a narrow range throughout the day. The 9.8 per cent decrease in U.S. third quarter grindings had little influence, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Contr't			
Dec.	1938.0-39.0	+15.0	1945.0-1925
March	1971.0-72.0	+18.0	1972.0-1955
May	1989.0-90.0	+20.5	1990.0-1972
July	1985.0-86.0	+18.5	1985.0-1971
Sept.	1965.0-68.0	+11.5	1968.0-1959
Dec.	1925.0-27.0	+9.0	1926.0-1916
March	1890.0-1925	+17.5	1910.0

Sales: 1,723 (4,147) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price Oct. 5: 169.18 (171.84). Indicator prices Oct. 6: 15-day average 171.78 (172.17); 22-day average 171.36 (171.03).

COFFEE

ROBUSTAS moved further ahead today after initial hesitation, Drexel Burnham Lambert reports. Dealer buying continued in the afternoon and the market remained buoyant until the close when values were £30 to £40 higher on balance.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
November	1638-40	+21.5	1654-10
January	1556-59	+34.5	1568-15
March	1463-65	+27.0	1468-35
May	1408-10	+24.0	1414-96
July	1365-75	+24.5	1376-60
September	1330-35	+17.5	1332-15
November	1300-15	+10.0	1310

Sales: 4,565 (3,450) lots of 5 tonnes.

ICO Indicator prices for Oct. 5 (U.S. cents per pound): Colombian Mild Arabicas 179.00 (same); unwashed Arabicas 153.00 (same); other mild Arabicas 156.21 (155.33); Robustas ICA 1976 148.75 (148.50); Robustas ICA 1968 149.25 (149.00). Daily average 152.48 (151.92).

RUBBER

UNCHANGED opening on the London physical market. Good interest throughout the day, closing on a steady note. Lewis and Peat reported a Malaysian godown price of 265 (261) cents (buyer, Oct.).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Nov.	63.00-63.55	62.75-63.50	63.00-62.75
Dec.	63.85-64.25	64.00-64.25	64.00
Jan-Mar	65.70-65.75	65.70-65.80	65.90-65.50
Apr-Jne	68.15-68.20	68.20-68.25	68.40-67.85
Jy-Sept	70.35-70.40	70.40-70.50	70.40-70.10
Oct-Dec	72.35-72.40	72.40-72.50	72.45-72.10
Jan-Mar	74.40-74.50	74.40-74.50	74.40
Apr-Jne	76.45-76.50	76.45-76.70	76.45-76.15
Jy-Sept.	78.55-78.60	78.50-78.55	78.55-78.50

Sales: 568 (466) lots of 15 tonnes and 22 (1) lot of 5 tonnes.

Physical closing prices (buyers) were: Spot 62.5p (62.0); Nov. 63p (62.75); Dec. 64.25p (64.0).

GRAINS

IMPORTED—Wheat: CWRS No. 1 13½ per cent Oct. 93.30 Tilbury. U.S. Dark Northern Spring No. 2 14 per cent Oct. 84.30, Nov. 85.30, Dec. 87.05 transhipment East Coast. U.S. Hard Winter 13½ per cent Oct. 84.55, Nov. 85.55 transhipment East Coast. EEC wheat unquoted.

Maize: U.S./French Oct. 103, Nov. 101, Dec. 102 transhipment East Coast. S. African White Oct.-Nov. 61.50 Glasgow. S. African Yellow Oct.-Nov. 61.50 Glasgow. Barley: English Feed fob Oct. 80.75, Nov. 82.75 East Coast.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Nov.	88.50	-0.40	81.00	-0.25
Jan.	91.30	-0.40	83.80	-0.20
Mar.	93.70	-0.40	85.95	-0.55
May	96.10	-0.40	88.40	-0.55

Business done: Wheat—Nov. 88.40-88.70, Jan. 91.50-91.45, March 93.50-93.95, May 95.80-96.30. Sales, 255 lots. Barley—Nov. 80.70-81.15, Jan. 83.50-83.80, March 85.70-86.10, May 88.00-88.55. Sales, 213 lots.

HGCA—Location ex-farm spot prices. Other milling wheat: Nil. Feed barley: Norfolk 74.30.

The UK monetary coefficient for the week beginning October 9 will increase to 1,270.

SOYABEAN MEAL

Futures moved lower under long liquidation in a thin market and closed around the day's lows in line with Chicago.

	Yesterday Close £ per tonne	+ or —	Business Done
October	117.80-18.4	-0.40	—
December	118.10-18.3	-0.30	118.80-18.00
February	120.00-20.1	-0.45	121.20-18.80
April	120.10-20.5	-0.90	121.00
June	121.00-21.6	-0.70	—
August	121.00-22.5	-0.75	—
October	122.50-22.7	-0.25	—

Sales: 64 (96) lots of 5 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £110.00 (same) a tonne cif for Oct.-Nov. shipment. White sugar daily price was fixed at £111.50 (£110.50).

The market opened steady around overnight levels and prices moved ahead as sellers withdrew scale-up, reports C. Czarnikow. Later higher New York quotations provided a further impetus to the rally and closing prices were at the day's highs. Whites were steady all day.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Dec.	115.20-15.25	115.60-15.60	115.25-15.50
March	118.65-18.75	117.15-17.25	118.80-17.25
May	121.00-21.10	115.40-15.45	121.20-18.00
Aug.	123.60-23.65	121.75-21.90	123.75-22.00
Oct.	125.75-26.00	124.75-24.95	126.00-25.00
Dec.	128.75-29.00	127.75-27.95	129.00-28.00
March	133.00-34.25	131.75-33.00	132.25

Sales: 2,616 (3,697) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £170.00 (same) for export.

WHITE SUGAR—Close: Feb. £120.70-£120.75; April £124.74-£124.90; July £128.75-£128.85, Sept. £132.25-£132.50, Nov. £135.00-£137.00; Feb. 139.00-£142.80; April £141.00-£148.00. Business done: Feb. £121.00-£119.50; April £124.75-£124.00; July £129.00-£128.25. Sales: 228 lots of 50 tonnes.

International Sugar Agreement—U.S. cents per pound fob and stowed Caribbean port. Prices for Oct. 5: Daily 8.90 (8.99); 15-day average 8.53 (8.49).

WOOL FUTURES

LONDON—The market was steadier in the middle positions, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
October	222.0	-2.5	—
December	226.0-30.0	-1.5	228.0
March	256.0-58.0	+2.5	236.0
May	237.0-40.0	+3.0	—
July	234.0-45.0	......	—
October	234.0-40.0	......	—
December	235.0-45.0	......	—
March	239.0-47.0	......	—

Sales: 7 (0) lots of 1,500 kilos.

SYDNEY GREASY. Close (in order buyer, seller, business, sales). Micron contract—Oct. 339.0-340.0; 340.0-339.0; 16. Dec. 349.5-350.0; 349.5-349.0; 15. March 357.5-358.0; 358.0-357.8; 6. May 363.5-364.0; 363.6-363.5; 3. July 368.5-370.0; 369.5-369.0; 20. Oct. 371.5-372.8; 373.0-372.0; 6. Dec. 375.0-376.0; nil; nil. March 376.5-378.0; nil; nil. Total sales 68.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller): Dec. 187.5-90.0, March 187.5-90.0, May 191.0-93.0, July 191.0-93.0, Oct. 192.0-94.0, Dec. 192.0-94.5, March 191.0-95.0. Sales: Nil.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 61 tonnes, bringing the total for the week to 210 tonnes (against 1,102), reports F. W. Tattersalls. Limited operations took place with only scattered support. Mixed dealings were reported in Russian, Turkish and South American growths.

HONG KONG COMMODITY EXCHANGE—Weekly raw cotton futures market report for week ending Oct. 6: Prices rose sharply over the week, with gains up to 280 points on Dec. delivery. Friday's close (cents per pound): Oct. unquoted-63.50, Dec. 64.25-64.30, March 65.25-65.80, May unquoted, July 66.50-68.00. Week's high-low: Dec. 64.30-62.40, March 65.50-64.70. Sales: 84 lots (63).

MEAT/VEGETABLES

SMITHFIELD—No carcase meat prices quoted.

MEAT COMMISSION—Average fatstock prices at representative markets on Oct. 6. GB cattle 66.44p per kg.l.w. (+0.36); UK sheep 134.5p per kg.est.d.c.w. (+2.4); GB pigs 68.1p per kg.l.w. (+2.1). England and Wales—Cattle numbers up 17.6 per cent, average price 66.13p (+0.38); Sheep numbers up 33.5 per cent, average price 134.9p (+2.3); Pig numbers up 14.6 per cent, average price 68.1p (+2.1). Scotland—Cattle numbers down 6.6 per cent, average price 68.83p (+0.71); Sheep numbers up 96.7 per cent, average price 130.3p (+6.4).

COVENT GARDEN (prices in sterling per package except where otherwise stated)—Imported Produce: Lemons—Italian: 120/150's new crop 5.50-6.20; Spania: Trays 1.50-2.30; S. African: 7.50; Cyprus: Trays 3.00-3.30. Oranges—S. African: Valencia Late 4.30-5.30; Brazilian: Valencia Late 3.50-3.60; Argentine: 4.80-5.40. Grapefruit—Dominican: 4.80-5.40; S. African: 48's 4.50; Jamaican: 5.00-5.40; Cyprus: 4.60; Cuban: 4.00-4.20; Israeli: Jaffa 4.20-4.5.

English Produce: Potatoes—Per 25 kilos 1.10-1.40. Lettuce—Per 12 round 0.50, Cos 1.00, Webbs 1.20. Cucumbers—Per tray 12/24's new crop 2.00-2.40. Mushrooms—Per lb 0.50-0.60. Apples—Per lb Bramley 0.06-0.09, Lord Derby 0.04-0.05, Cox's Orange Pippin 0.06-0.12, Tydeman's 0.04, Worcester Pearmain 0.05-0.08, Russets 0.07-0.10. Pears—Per lb Williams 0.10, Conference 0.08-0.10. Plums—Per lb Marjorie's Seedling 0.12, Laxton 0.07. Damsons—Per lb 0.15. Tomatoes—Per 12-lb English 1.80-2.20. Cabbages—Per crate 0.80-0.90. Celery—Per head 0.06-0.07. Cauliflowers—Per 12 Lincoln 1.40-1.60. Runner Beans—Per lb Stick 0.10. Beetroot—Per 28-lb 0.60. Carrots—Per 28-lb 0.50-0.70. Capsicums—Per lb 0.20. Courgettes—Per lb 0.15-0.16. Onions—Per bag 1.60, Picklers 2.50-2.60. Swedes: Per 28-lb 0.50-0.60. Turnips—Per 28-lb 0.80-0.90.

★

GRIMSBY FISH—Supply moderate and demand good. Prices per stone at ship's side (unprocessed): Shelf cod £5.00-£6.00; codlings £3.40-4.50; large haddock 4.70-5.20; medium haddock £3.80-£4.80; small haddock £2.80-£3.60; large plaice £4.50-£5.20; medium plaice £4.40-£4.90; best small plaice £3.70-£4.20; skinned dogfish (large) £9.50; medium £8.00; lemon soles £5.50-£7.50.

FINANCIAL TIMES

Oct. 6	Oct. 5	Month ago	Year ago
260.86	259.76	251.07	239.88

(Base: July 1 1952=100)

REUTERS

Oct. 6	Oct. 5	Month ago	Year ago
1511.3	1508.2	1482.2	1499.5

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Oct. 6	Oct. 5	Month ago	Year ago
Spot	380.12	379.42	383.03	373.87
Future	383.52	381.56	376.88	314.33

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 6	Oct. 5	Month ago	Year ago
Staple Commod.	970.4	966.6	937.9	832.7

(December 31, 1931=100)

U.S. Markets

Metals and grain ease: sugar firm

NEW YORK, Oct. 6.

PRECIOUS METALS closed lower on aggressive speculative profit-taking prior to a long holiday week-end and a stronger dollar in foreign exchange centres. Copper closed lower on renewed trade hedge selling despite expectations of a decrease in LME stocks. Sugar rallied on renewed Commission House buying and trade price fixing over the possibility of Senate action on the domestic Sugar Bill prior to the adjournment, Bache reports.

Cocoa—Dec. 167.45 (167.30), March 167.25 (167.30), May 166.35, July 165.15, Sept. 163.15, Dec. 159.00 settlements. Sales: 577.

Coffee—"C" Contract: Dec. 156.75-157.00 (154.80), March 148.25-148.48 (146.58), May 142.25, July 138.25-138.80, Sept. 135.25-135.40, Dec. 133.75-134.50, March 131.00-134.50. Sales: 1,045 lots.

Copper—Oct. 67.05 (67.35), Nov. 67.55 (67.90), Dec. 68.15, Jan. 68.70, March 69.75, May 70.80, July 71.75, Sept. 72.65, Dec. 73.90, Jan. 74.30, March 75.10, May 75.90, July 76.70 settlements. Sales: 5,000 lots.

Cotton—No. 2: Oct. 64.90 (64.12), Dec. 67.03-67.09 (66.41), March 69.40-69.50, May 70.40-70.50, July 70.60, Oct. 67.00, Dec. 66.50, March 67.00-68.00. Sales: 7,050.

*Gold—Oct. 222.30 (224.20), Nov. 224.00 (225.70), Dec. 225.50, Feb. 230.10, April 232.80, June 236.50, Aug. 240.20, Oct. 244.00, Dec. 247.80, Feb. 251.70, April 255.80, June 260.00, Aug. 264.20 settlements. Sales: 18,000 lots.

†Lard—Chicago loose 24.38 (24.50). NY prime steam 25.88 nom. (26.00 asked).

‡Maize—Dec. 226¼-226 (229), March 235¼-236 (238½), May 242-242¼, July 245¼-245, Sept. 247, Dec. 251.

§Platinum—Oct. 295.10-295.30 (295.30); Jan. 298.50-297.20 (297.10), April 300.50, July 303.20-303.40, Oct. 305.90-306.10, Jan. 309.40-309.60, April 312.90-313.10. Sales: 903 lots.

¶Silver—Oct. 576.00 (580.50), Nov. 579.50 (584.50), Dec. 583.50, Jan. 587.70, March 596.30, May 604.90, July 613.90, Sept. 623.00, Dec. 637.30, Jan. 642.00, March 651.50, May 661.20, July 670.90 settlements. Sales: 14,000 lots. Handy and Harman spot bullion 579.50 (580.50).

Soyabeans—Nov. 662-663 (671½), Jan. 671-670 (679), March 677½-678, May 682, July 682-681½, Aug. 675, Sept. 655, Nov. 651-650.

‖Soyabean Meal—Oct. 176.20-176.00 (176.60), Dec. 178.70-178.80 (179.90), Jan. 179.80-179.70, March 181.00, May 181.80, July 182.00-182.30, Aug. 181.30, Sept. 179.00, Oct. 177.60.

Soyabean Oil—Oct. 25.80-25.85 (26.10), Dec. 25.05-25.00 (25.44), Jan. 24.75-24.70, March 24.50-24.45, May 24.25, July 24.00, Aug. 23.70, Sept. 23.35-23.40, Oct. 23.05-23.15.

Sugar—No. 11: Jan. 9.30-9.50 (9.11), March 9.48-9.50 (9.29), May 9.65, July 9.78-9.80, Sept. 9.93, Oct. 9.90, Jan. 10.17, March 10.20 bid. Sales: 3,600 lots.

Tin—656.00-680.00 nom. (677.50 nom.).

**Wheat—Dec. 344½-344¼ (345½), March 339 (340½), May 334¼-334¼, July 319½-319½, Sept. 323 nom., Dec. 333.

WINNIPEG, Oct. 6. ††Rye—Oct. 97.90 (96.60 bid), Nov. 99.60 bid (99.50 bid), Dec. 99.50, May 103.50 asked, July 103.90 bid.

††Oats—Oct. 76.30 bid (76.80 bid), Dec. 75.40 bid (76.60 bid), March 74.60 asked, May 74.60 asked, July 74.50 asked.

‡‡Barley—Oct. 72.10 (73.00 bid), Dec. 73.10 (74.50 bid), March 75.00 asked, May 75.10 asked, July 75.10 asked.

§§Flaxseed—Oct. 259.00 (261.40 bid); Nov. 257.40 asked (258.90 bid), Dec. 255.20, May 257.30 bid, July 257.30 asked.

¶¶Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 178.54 (same).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse. 5,000 bushel lots. § $s per troy ounce for 50 oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 24 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

This week's SE dealings

Friday, October 6	4,172	Wednesday, October 4	5,038	Monday, October 2	4,984
Thursday, October 5	4,793	Tuesday, October 3	4,629	Friday, September 29	4,842

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ✠ Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ✠ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (678)

13½pc Treasury Ln. 1997 105½ ½ ¼
12½pc Treasury Ln. 1993 110 ¼
14½pc Treasury Ln. 1994 112½
15¼pc Treasury Ln. 1996 114½
15½pc Treasury Ln. 1998 118 17½
2½pc Treas. Stk. 19
3pc Treas. Stk. 23¾ (5/10)
3pc Treas. Stk. 1979 95¾ 5½
3pc Treas. Stk. 1982 84½ 5¼ 5 4½
3½pc Treas. Stk. 1977-80 (Reg.) 93
3½pc Treas. Stk. 1979-81 (Reg.) 89

INTNL. BANK (—)

CORPORATIONS (31)

Croydon 6½pc 86½
Derby 13½pc 103
Edinburgh City 11.25pc 97½
Edinburgh Corp. 6½pc 98¾ (3/10)
Glasgow 9½pc 91¼
Gloucestershire 5½pc 92½ (3/10)
Grampian 10½pc 92 (4/10)
Greenwich 11½pc 95¼
Hertfordshire 5½pc 1978-80 92¼ (4/10). Do. 1982-84 79½. 6½pc 75¼ (4/10)
Islington 10pc 92¼. 12¼pc 97
Kensington Chelsea 11½pc 93½ (5/10)
Kent 9½pc 95 (5/10)
Lanarkshire 5½pc 98½ (2/10). 6pc 90¾
Leeds Corp. 7½pc 99½ (3/10)
Liverpool Corp. 3½pc 25¼ (5/10). 9½pc 95½ (2/10)
Maidstone 6½pc 86¼
Manchester Corp. 3pc (1891) 20½ (2/10)
Middlesex 5¼pc 92½ 30
Newcastle-upon-Tyne 9½pc 96 (2/10). 9½pc 89½ (4/10)
Northumberland 7pc 94¼
Portsmouth 78½ (2/10)
St. Helens 11½pc 94
Salford 5½pc 64½ (4/10)
South Tyneside 12¼pc 98¼ 9
Southend-on-Sea 11½pc (f.p.) 97¼
Southend-on-Sea Corp. 9½Rd.Stk. 89 (4/10)
Southwark 6½pc 78. 12½pc (f.p.) 97½. 12¼pc (£10 pd) 8¼ 15pc 104½ (2/10)
Stirling C.C. 7½pc 97 (5/10)
Stockport 12¼pc 99
Sunderland Corp. 5½pc 86½ (5.10)
Tyne and Wear 12pc 98¼
Warwickshire 12½pc 101¼ (3/10)

PUBLIC BOARDS (13)

COMMONWEALTH GOVTS. (5)

FOREIGN STOCKS (1)

STERLING FOREIGN CURRENCY BONDS

FOREIGN CRPS. (—)

UK RAILWAYS (5)

FOREIGN RAILWAYS (1)

BANKS (112)

BREWERIES (118)

CANALS AND DOCKS (3)

COMMERCIAL (2,349)

A—B

Allebone Sons (10p) 28½ (5/10). 7pc Uns.Ln. 43 (5/10)
Allen (Edgar) Balfour (25p) 52
Allen (W. G.) (Tipton) (25p) 54
Allied Colloids Group (10p) 73 9
Allied Farm Foods 8pcDb. 64½ (4.10)
Allied Retailers (10p) 108 70 9. 9½pc Pf. 101
Allied Suppliers 6pcLn. 62
Allied Textile Companies (25p) 160 (2/10)
Alpine Hldgs. (5p) 73 2
Amalgamated Metal Corp. 315
Amalgamated Power Engineering (25p) 158 (5/10)
Amber Day Hldgs. (10p) 49
Anchor Chemical (25p) 71
Anderson Strathclyde (25p) 65 61 7½ (5/10)
Anglo-American Asphalt (25p) 58 7
Anglo-Transvaal Industries (R0.30) 123

C—D

Cartwright (R.) (Hldgs.) (10p) 75
Casket (S.) (Hldgs.) (10p) 35. New (10p) 35 3. 10.25pcPf. 100
Castings (10p) 47 (5 10)
Cattle's (Hlgs.) (10p) 37½ (5 10)
Causton (Sir J.) (25p) 24
Cavenham 7½pcPf. 48. 10pcPf. 91½. 9¼pcLn. 70 70 (5 10). 10pcLn. 70
Cawdaw Indust. Hldgs. (25p) 29 (5 10)
Cawoods Hldgs. (25p) 141 (3 10)
Celestion Indust. (5p) 32½ (4 10)
Celtic Haven (5p) 13½ (2 10)
Cement Roadstone Hldgs. (25p) 96 51 (5.10)
Central Sheerwood (5p) 34½ 6. 10pc Pf. 101 97 (5.10). 10pcLn. 96 (3 10)
Central Mnfg. Trading (10p) 61½ (5 10)
Central Wagon 7¼pcLn. 100 (4/10)
Centreway (50p) 259. 11pcPf. 105

Geers Gross (10p) 42 (3/10)
Gelfer (A. J.) (20p) 39
Gen Electric (25p) 322 360 26 5 9 7 30 28 6 4 7½. 4pcLn. 90½ 1 (2/10). 6pc Ln. 1976-81 87 (5/10). 6pcLn. 1979-84 75½ 5 (4/10). 7¼pcLn. 63 (5/10). 7½pcLn. 66. Floating Rate Notes 1986 99
Gen. Engineering (Radcliffe) (10p) 14½ (3/10)
Gen. Motors Dep. Receipts 217 (3/10)
Gestetner Hldgs. A (25p) 176 (5/10). A Capt. (25p) 170. 10pcLn. 115
Gibbons Dudley (25p) 70
Gibbons (S.) Intnl. (25p) 209
Gieves Gp. (25p) 94 (5/10)
Gill Duffus Gp. (25p) 154 6
Giltspur (10p) 66
Glass Metal Hldgs. (10p) 80 (2/10)

Lonrho (25p) 63 5 4. 8pcLn. 1981-86 64 (2/10)
Lonsdale Universal (25p) 90 (2/10)
Lookers (25p) 66 (4/10)
Lovell (G. F.) (25p) 57 (5/10)
Lovell (Y. J.) (Hldgs.) (25p) 112 10 13
Low and Bonar Gp. (50p) 194
Low (Wm.) (20p) 97
Lucas Inds. 306 50 3. 7¼pcLn. 71 (3/10)
Lyons (J.) 156 3 (5/10). 6pc1stDb. 70¼ (4/10). 6¼pcLn. 66 (3/10). 7½pcLn. 68 (4/10)

MFI Furniture Centres (10p) 140 35
MK Elec. Hldgs. (25p) 237. 7½pcLn. 67 (2/10)
ML Hldgs. (25p) 200 (2/10)
MY Dart (10p) 65
Macarthys Pharmaceuticals (20p) 111
McCleary L'Amine Gp. (25p) 16 (3/10)
Macfarlane Grp. (Clansman) (25p) 76 (3/10)
Mackay (Hugh) (25p) 45 (2/10)
McKechnie Bros. (25p) 93 (2/10)
Mackintosh (John) Sons 4½pcPf. 35 (3/10)
Macpherson (Donald) Grp. (25p) 77
Magnet Southerns (25p) 153 50. New (25p) 152 30
Magnolia Grp. (Mouldings) (10p) 127
Makin (J. J.) Paper Mills (25p) 101 (3/10)
Mallinson-Denny (25p) 53. 4.2pcPf. 44
Management Agency Music (10p) 86 6 (5/10)
Manders (Hldgs.) (25p) 102 100
Manganese (25p) 74 (4/10)
Manor Nat. Grp. Motors New 32. 10½pc NewPf. 103 (5/10)
Maple (10p) 23½. 10½pcLn. 66½
Marchwiel (25p) 145. 9pcPf. 99 7 (5/10)
Marks and Spencer (25p) 82 ½ 1 3 1½
Marley (25p) 76 6 4
Marling Inds (10p) 35½
Marshall Cavendish (10p) 51¼ 2½
Marshall (Thomas) A (25p) 47
Marshalls (Halifax) (25p) 143
Marshall's Universal (25p) 143
Martin (Albert) Hldgs. (20p) 87

Perry (Harold) Motors (25p) 117
Peterborough Motors (20p) 75 (5/10)
Peters Stores (10p) 65 (4/10)
Phillips Finance 5½pcGtd.Ln. 55½ (3/10)
Phillips' Lamps Hldg. (Fl.10) 925 (5/10)
Phillips Patents (Hldgs.) (25p) 17 (3/10)
Phoenix Timber (25p) 154 1 50 3
Piccadilly Theatre (25p) 115 (5/10)
Pickles (William) A (10p) 10 (2/10)
Pifco Hldgs. (20p) 100. A (20p) (2/10)
Pilkington Bros. 312. New 313 10
Pittard Group (25p) 47. 5½pcPf. 71½
Pleasurama (5p) 76½ 6 7 (5/10)
Plessey (50p) 120 1 2 3 4 20
Plysu (10p) 94 5 (2/10)
Pochin's (25p) 153 (3/10)
Polymark Internat. (10p) 55½
Portals Hldgs. (25p) 230 28. 9pcUns. Ln. 143 (5/10)
Porter Chadburn (10p) 111
Porvair (25p) 96 (2/10)
Powell Duffryn (50p) 206 5. 6¾pc 62½ (2 10)
Pratt (F.) Engng. Con. (25p) 70
Preedy (Alfred) Sons (25p) 84
Press (William) (5p) 26
Priest (Benjamin) (25p) 87½ (3/10)
Primrose Industrial (R0.10) 58 (3/10)
Pritchard Services (5p) 39¼
Proprietors of Hays Wharf 153 50 (5/10)
Provincial Laundries (5p) 14
Pullman (R. J.) (5p) 99 5. 7pcPf. (2/10)
Pye Hldgs. (25p) 84 33 7 6½
Pye of Cambridge 5½pcPf. 40 (4/10)

Q—R—S

Quick (H. J.) (10p) 40½

RCF Hldgs. (25p) 39 (3/10)
RFD Grp. (10p) 78
RKT Textiles (10p) 86
Racal Electronics (25p) 335 74 5 6 8
Radley Fashion (25p) 55 (2/10)
Raine Eng. (10p) 14 (4/10)
Ramar Textiles (25p) 9¼ 9
Randalls (25p) 94
Rank Org. (25p) 266 20 1 3 4

Paterson Zochonis (10p) 180 (5/10). A (10p) 170 (3/10). 10pcPf. 104½ (2/10)
Pauls Whites (25p) 121 20 2 (4/10)
Pawson (W. L.) Son (5p) 63 ¼. New Ord. (5p) 25½ 4½
Peak Invsts. (10p) 7½ (3/10)
Pearson Longman (25p) 224 (5/10)
Pearson (S.) Son (25p) 231 3 2 30. 9pc Unsec.Ln. 94¼
Peerage of Birmingham (10p) 52 1 3 (5/10)
Pegler-Hattersley (25p) 174 (5 10). 7pc Unsec.Ln. 78 (5/10)
Pennine Motor Group (10p) 9 (5/10)
Pentland Industries (10p) 23½ (5.10)
Pentos (10p) 103 (5 10)
Perkin-Elmer 4pcUnsec.Ln. 105½

Sharpe (W. N.) Hldgs. (25p)
Shaw Carpets (10p) 66½ (5/10)
Shaw (Francis) (20p) 26½ (2/10)
Sheepbridge Eng. (25p) 71 20 (5/10)
Sheffield Brick Gp. (25p) 55
Sidlaw Inds. (50p) 90 (2 10). 7½ 50
Siebe Gorman Hldgs. (25p) 215 10
Siemssen Hunter (10p) 63
Silentnight Hldgs. (10p) 10
Silhouette (London) A (20p) 53 (3/10)
Simon Engineering (25p) 282 (5 10)
Sirdar (25p) 74½
600 Group (25p) 102½ 3 1½ 2. 4½ 34 (3 10). 8½pcLn. 71 (5/10)
Sketchley (25p) 133½

APPOINTMENTS

New man heads Alcad

A SENIOR Chloride Group executive has been named as the new managing director of **Chloride Alcad**, Redditch — the UK's largest manufacturers of industrial nickel cadmium batteries.

Mr. Bryan Price, previously general manager of Chloride Automotive Batteries, Dagenham, joined the Redditch company this month. He replaces former managing director, **Mr. David Millar**, who left earlier this year to head a new division of Chloride America. Mr. Price joined the Chloride group 10 years ago after working for many years in the West Midlands with GEC Witton, Shell Chemicals and the Bowater group.

★

Mr. S. W. Warren, secretary of BRAID GROUP, has been appointed a director.

★

The new president of the INSTITUTE OF PURCHASING AND SUPPLY is **Mr. E. B. Mervyn Grubb**, chairman of GKN Distributors. He is a fellow of the Institute and a past president of the board of management.

★

Mr. David Lewis has been appointed commercial director, **Mr. Philip Hall**, production director and **Mr. Simon Stretton**, technical director of SIPHER DESIGNS (ELECTRONICS) which specialises in microprocessor and telecommunications technology and has strong links with the City.

★

Mr. Jonathan Hildreth and **Mr. Michael Wellman** have been appointed vice presidents of CITICORP INTERNATIONAL BANK.

★

Mr. Malcolm Thomas has been elected chief executive at the GENERAL ENGINEERING CO. (RADCLIFFE), manufacturer of cable making machinery, vacuum products and waste disposal equipment. The appointment is part of the board's reorganisation of the company aimed at restoring profitability after the recent losses. **Mr. Eric Bell**, formerly group chief acountant, has been elected associate director, finance. **Mr. R. Ogden** remains chairman.

★

FELIX BOTTCHER (UK (HOLDINGS) announces that **Mr. Kenneth J. Hinson** is appointed managing director of all group companies. **Mr. Horst W. Loosen** and **Dr. Jurgen Reimann** are now joint chairmen and **Mr. Heinz A. Schmitz** continues as technical director.

★

LONRHO announces that **Mr. P. G. B. Spicer**, who has been an alternate director to Mr. R. W. Rowland, the managing director and chief executive, since October, 1975, has been appointed an executive director of the company.

SINGAPORE STOCK EXCHANGE

Oct. 6	$	Oct. 6	$
Industrials		Straits Trad'g	5.85xd
Boyd	0.60	Times Pub.	
Boustead Co.	2.52	Berhad	3.10
Boustead Bhd	2.73	U. Engineers	1.53
Dunlop	4.24xd	U. O's Bk.	3.80
Emo	5.65xd	Wearne	3.72
Fraser Neave	5.10	Tractors	2.20
Haw Par	1.34	Chemical	—
Hume Ind.	2.64xd	Wilts Jacks	1.52
Indeco	1.88	**Rubbers**	
Malay Brew.	8.10	Batu Lintang	1.26
Malay Cemt.	3.0	Dunlop Estate	2.54xd
Met. Bx Sing.	2.26	Kempas	3.54
O'C-Chin. Bk	2.90		
Pan Electric	1.72		
Robinson Co.	4.86	**Tins**	
Rothman	4.30	Austral. Am.	—
Shell	2.64xd	Berjuntai	—
Sime Darby	3.40	Kamunting	4.0
Cold Storage	2.6	Kuchai	1.50
Straits Steam	2.62	Lower Perak	2.60
Straits Times		Petaling Tin	17.0
(1975) Ltd.	7.0	Supreme Corp.	2.12
		Tongkah Har.	

Essex 3.5pcCons. 33 (4/10) ... 102 (2/10). 10pcDb. 79¾ (4/10)
Folkestone Dist 2.8pcPf. 29 (3/10). 10pc Db. 87½ (3/10)
Hartlepool 3.5pcMax. 33 (4/10)
Mid Kent Water 3.5pc 35ø. 3.5pcPf. 34½ (2/10). 3.85pcPf. 1984 51 (2/10)
Mid Southern 3.5pc 34 (2/10)
Mid Sussex 4.9pc Max. 45 (3/10). 15pc Db. 104½ (2/10)
Newcastle Gateshead 3.5pcPf. 35½ø
North Surrey 7pc 61. 4.9pcA 43ø. 3.5pc 30½ (2/10). 3.5pc (fmly. 5pc) 30½ (4/10)
Portsmouth Water 10pcDb. 92 (2/10)
Rickmansworth and Uxbridge Valley Water 7½pcDb. 62¼ø (5/10)
S. Staffordshire WW 4.9pcPf. 69½ø ¾ 10pcPf. 105 (2/10). 9¼pcDb. 70 (2/10)
Sunderland and S. Shields Wtr. 32 (4/10)
West Hampshire 3.5pc 32 (4/10)
West Kent Water 3.5pcCns.Ord. 32 (4/10). 7pcPf. (1983) (£10 pd) 9½ ¾

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

OCTOBER 6 (Nil)

OCTOBER 5 (2)

Wade Potteries 4.2pcPf. a18ø

OCTOBER 4 (Nil)

OCTOBER 3 (Nil)

OCTOBER 2 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

OCTOBER 6

Ampol Ex. 100ø
Anglo Utd. 232
Beach Pets. New 31
Bougainville Cpn. 131
Central Pac. Mins. 475
Ciba Geigy 8pcCnv. £87
Conzinc Rio Tinto Aust. 304
Dome Pets. Canada £56¼ø
Duff Devs. 55
Eastman Kodak £44½ø
Gulf Oil Canada £19¾ø
Hollinger Mines A £25½ø
Hutchison Whampoa 91ø ¼ø
Kulim Malaysia 46ø 7
Magnet Metals 42ø 2 3
Matsushita Elec. 294
New Metal 5ø
Pac. Copper 56
Protea Hldgs. 80ø
Ramada US 14½ø
Sthrn. Pac. Props. 10¼ø
Swire Pac. A 144½ø 53
Waltons 65ø
Western Queen 30
Wheelock Marden A 46ø

OCTOBER 5

Ampol Pets. 71½ 70½
Bougainville Copper 128
Bridge Oil 105ø. Do. New 65
Canadian Tire A £15¹¹⁄₁₆ø
Canada 4¼pc 1982 US$ 99¾ø ¾ø
Club Mediterranee US$ 118½ø
Cork Invs. 13
Cosmopolitan Props. 24‡
Credit Lyonnais Floating Rate Nts. 1983 US$ 98⅞ø 90
DG Bk. Floating Rate Nts. 1982 US$ 99¼ø ⅛ø
Gold Mines Kalgoorlie 67
Jardine Matheson 254ø 47
K-Tel Intnl. 270ø
Lend Lease Cpn. New 94ø 9 6
Metal Ex. 35½ø 5
Metramar 17
Nat. West Floating Rate Nts. 1984 US$ 99¼ø ¼ø
Newfoundland and Labrador Hydro 9¾pc 1986 US$ 99⅛ 100
Nickel and Min. Search 9ø
Norsk Hydro 6¾pc 1989 US$ 104⅞ 5
Norway 4¼pc 1983 US$ 99¾ø ½ø
Otter Ex. 44ø
Oudermeester 28ø
Pac. Pets. £27
Pancontinental £9.75‡ø 9.80‡ø 9¾ø
Rio Tinto Zinc (Aust. Reg.) 240‡ø
Safeway £22⅞ø
Steep Rock Iron US$ 3¼ø
Superior Oil US$ 302¼ø ¾
Supreme Cpn. 65
Wheelock Marden A 50ø

Woodside Pets. 68ø

OCTOBER 4

Air Liquide US$ 69
Alliance Oil Devs. 17½ø
BH South 116
BP Canada £10‡
Black Docker £12½‡
Cultus Pacific 27
Endeavour Resources 25
Exxon Cpn. £35⅛ø
Fiat (L500) 2700 65
Heller (W. E.) 4.07pcPf. £59½ø
Hong Kong Elec. US$ 1.3½
Hong Kong Land US$ 2.48½
Hudson's Bay Oil Gas £25‡
Jennings Inds. 93
Michelin FFr 1475ø
Myers Emporium 12¼ø
Nthrn. Mng. 125
Oil Search 11
Peko Wallsend 478
Petrofina US$ 119
Pioneer Concrete 146ø 40‡ø
Rembrandt Grp. 174ø
Siemens £110ø. Wrnts. £40
Thomas Nationwide 99ø
Thyssen AG £44ø
Tooth 150ø
Tri Continental £13ø
Utah US$ 5.14ø 5.12
Woodside Pets. US$ 0.92ø
Woolworth (Australia) 139ø

OCTOBER 3

Amkander Leases 211ø 200ø
Bank Hldgs. Cpn. 86ø
Carr Boyd Minerals 45
Euratom 5¼pc 1987 US$ 98 ¼ (29/9)
European Inv. Bk. 8½pcBds. 1974-88 US$ 95½ ⅝ (29/9)
Hardie Trdg. 120ø
Jardine Matheson 257ø. 7½pcCnv. 1990 £144ø
Latec 18
Little Long Lac Mines 155
Mnt. Lyell 29ø
Nicholas Intnl. 73
Otter Ex. US$ 0.64½
Reel Nampack 260ø
Royal Bk. Canada 9pcDbs. 1982-92 US$ 96¼ ⅛ (29/9)
Santos US$ 2.42 2.46
Sherritt Gordon A 430ø
Southland Royalty £34¼ø
Target Pets. 20½

OCTOBER 2

Atherton Antimony 68ø
Australian Cons. Inds. 150ø
Australian Cons. Minerals 12
Australian Oil & Gas 64ø
Australian Paper Mfg. 96ø
Basin Oil 19
Beaver Ex. 10ø
Brick & Pipe 101ø
Bukit Sembawan 60
CSR 290
Canada Cement 675
Containers Ltd. 222ø
Crusader Oil 72
Dreyfus Int. £11
E. Z. Inds. 250ø
Email 102ø
General Oriental 32
Grace Bros 182ø
Hawker Siddeley Canada A 505ø
Howard Smith 342ø
ICI (Australia & NZ) 189ø 6ø
LM Oil (NZ) 23
Lennard Oil 36
Matheson Inv. 7¼pc £120½ø
Mimvet Fidelity 23ø
Offshore Oil (50 pd.) 8½
Rand Leases 23ø
Reef Oil 20ø
Rovento $US58¾
Scudder Duovest £5.50ø 5.55ø
Selangor Coconuts 88
Spargos 39ø
Supreme Corp. 70
Swan Brew. 135ø
Thiess Holdings 268ø
Tooheys 112ø
Union Tin 30‡
Walker (Hiram) £21¹¹⁄₁₆
Westfield 480ø

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

OCTOBER 6

Bardon Hill Grp. 181
Blyth Greene Jourdain 11.2pcPf. 160
Hit Photographic Inds. 15 14
Cambridge Instrument (1p) 2 1.75 1.756
Cambridge Instrument (10p) 3 2½
Cedar Hldgs. 19 15
Channel Hotels Props. 23

Clairmace 24 2
Clucas Laundry (1946) 5pcPf. 39½
Clucas Laundry (1946) 265
Clyde Pet. 116
Dollar Land Hldgs. 40 38 5
Doloswella Hldgs. 25 4 3½
Douglas Gas Light 212½
Gale (George) £155
GRA Prop. Tst. 14¼ ³⁄₁₆ 14 13¾ ⅞
Jennings Bros. 86 5 3 2
Mining Inv. Cpn. 48
NMW Computers 178 5 2
Nationwide Leisure 10½ 9½ 9
Norton Villiers Triumph 6½ 6 5½
Oldham Brewery 72½
Oldham Estates 123 2
PMPA Insurance 35
Spencer (Isaac) (Aberdeen) 65
Wessex Water Athy. 5pcRd. 1992 £78

OCTOBER 5

Aran Energy 92 90½
Cedar Hldgs. 5pcPf. 44½ 4
Clairmace 23
Edar Hldgs. 20
Eldridge Pope A 219
Exchem Hldgs. 60
Grendon Tst. 11pcLn. £7¾ 7
Hartley Baird ½
Kunick Hldgs. 14
Kunick Hldgs. New 14
Lifeguard Assurance 28
Petroleum Royalties Ireland 160
Queen St. Warehouse (Hldgs.) 3
Viking Oil 121

OCTOBER 4

Darling Fund (A$1) 155
De La Rue (W. H.) 400
Granville Invs. Tst. 450
Heavitree Brewery 525
Kellock Hldgs. 43
Kellock Hldgs. 11pcPf. 78
New Court Natural Resources 13½ ¼ 13
PA Insurance 35
Sthrn. Newspapers 206
Weetabix A N.-vtg. 82
West Hampshire Water A (7pc Max.) 350
Westward TV A 28 7
Williams (John) (Cardiff) 5pcPf. 450
Winchester London Tst. 1

OCTOBER 3

Arsenal FC £165
Aston Villa FC £14
Booth (Alfred) 200
Dead Sea Works 5pcDbs. £14 12
Eastbourne Waterworks 4.9pc 44
Heavitree Brewery A 500
Heavitree Brewery 4.2pcAPf. 153 50
Jersey New Waterworks 9½pcDbs. £87
Manx Pet. 10⁵⁄₁₆
Queens Park Rangers FC 115
Royal Automobile Club Bldgs. £12 11
S.A. (US$ 10) £26½
Utd. Friendly Insurance B 73½ 3
Uropate Invs. 140
Viking Oil 120

OCTOBER 2

Buenos Ayres Lacroze Tramways 3pc Cons Income Db. £3
Gale (George) £145
Trident Television 53
United Womens Homes 6pcPf. 25

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

OCTOBER 5

CCP North Sea Assocs. £12⅝
Cluff Oil £4¾ ½
Siebens (UK) 326

OCTOBER 4

CCP North Sea Assocs. £12⅝
Siebens (UK) 346 5 4 40

OCTOBER 3

Cluff Oil £4⅞ ⅛ ¹⁄₁₆
Siebens (UK) 340 38 28 6 4 2

OCTOBER 2

Cluff Oil 437½ 425
Siebens (UK) 330

SEPTEMBER 29

CCP North Sea Assocs. £13 12¾
Candecca Resources 36 5 3
Cluff Oil £4½ 4
Gas and Oil Acreage 95p
Siebens (UK) 338 7 6 4 30 28 4

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BONDS

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	11¼	½-year	250	5-7
Bradford (0274 29577)	11½	½-year	500	5-7
Knowsley (051 548 6555)	11¼	½-year	1,000	6-10
Manchester (061 236 3377)	10	½-year	500	2
Poole (02013 5151)	10¾	½-year	500	5
Poole (02013 5151)	11¼	½-year	500	6-7
Redbridge (01-478 3020)	11¼	½-year	200	6-7
Southend (0702 49451)	10¾	½-year	250	3
Thurrock (0375 5122)	11	½-year	300	4
Thurrock (0375 5122)	10¾	½-year	300	3
Wrekin (0952 505051)	11¼	yearly	1,000	5-6

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Aid to Thrift	7.00%	7.50%	—	—
Alliance	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Anglia Hastings & Thanet	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Bradford and Bingley	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £500
Bridgwater	6.45%	6.70%	8.50%	7.90% 2½ yrs., 7.45% 2 yrs.
Bristol and West	6.45%	6.70%	7.95%	—
Bristol Economic	6.45%	6.70%	7.95%	6.95% 3 months' notice
Britannia	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £500
Burnley	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Cardiff	6.45%	7.25%	8.25%	—
Catholic	6.00%	•6.80%	7.50%	— • 7% over £5,000
Chelsea	6.45%	6.70%	7.95%	7.45% min. £500 6 months' notice
Cheltenham & Gloucester	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs. (£500-£15,000)
Citizens Regency	6.45%	7.05%	8.25%	8.30% 3 yrs., 7.55% 1 yr., min. £5,000
City of London	6.70%	7.00%	7.95%	8.04% 3 yrs., increment share—min. £500
Coventry Economic	6.45%	6.70%	7.95%	7.70% 3 yrs. min. 7.20% 3 mths.' notice
Coventry Provident	6.45%	6.70%	8.70%	7.95% 3 yrs., 6.95% 2 yrs.
Derbyshire	6.45%	6.70%	7.20%	— up to 7.20% 3 months' notice
Gateway	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., min. £500-£15,000
Guardian	6.45%	6.95%	7.20%	7.65% 3 months' notice, £1,000 min.
Halifax	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Heart of England	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 3 months' notice
Hearts of Oak & Enfield	6.45%	6.95%	8.45%	8.20% 4 yrs., 7.95% 3 yrs., 7.70% 2 yrs.
Hendon	6.70%	7.20%	—	7.70% 6 months
Huddersfield & Bradford	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Leamington Spa	6.55%	6.80%	9.26%	7.55% 2 yrs., 8.00% 1 yr.
Leeds Permanent	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £1,000
Leicester	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 3 mths.
Liverpool	6.45%	6.70%	8.15%	7.80% 3 yrs., 7.30% 2 yrs., min. £1,000
London Goldhawk	6.45%	6.95%	8.20%	7.95% 3yrs., 7.70 2yrs., 7.45 1yr. min. £1,000
Melton Mowbray	6.55%	6.80%	7.95%	7.55% 2 yrs., min. £2,000
Midshires	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £250
Mornington	7.25%	7.50%	—	—
National Counties	6.70%	7.00%	8.00%	7.45% 3 months, min. £1,000
Nationwide	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., min. £500
Newcastle Permanent	6.45%	6.70%	8.00%	8.00% 3 yrs., 7.70% 2 yrs.
New Cross	7.25%	7.50%	—	—
Northern Rock	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £100
Norwich	6.45%	6.70%	8.20%	7.70% 3 yrs., 7.45% 2 yrs., min. £500
Paisley	6.45%	6.70%	7.20%	7.70% 3 yrs., 7.20% 2 yrs., min. £500
Peckham Mutual	6.75%	7.25%	—	—
Portman	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.45% ½-yrly., 6.95% 3 mths.
Principality Buildg. Society	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., min. £500
Progressive	6.70%	6.95%	7.95%	7.95% 3yrs., 7.70% 2yrs., 7.45% 3mths. not.
Property Owners	6.45%	7.20%	8.45%	7.65% 3 mths. not., 5.70% to limited cos.
Provincial	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs.
Skipton	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., 6.95% 3mths. not.
Sussex Mutual	6.45%	7.00%	8.75%	8.05% 3 yrs., 7.75% 2 yrs., 7.50% 1 yr.
Town and Country	6.45%	6.70%	+10.00%	7.70% 3 yrs., 7.20% 2 yrs. + Max. £250
Woolwich	6.45%	6.70%	7.95%	7.20% 2 yrs., 7.70% 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

Currency, Money and Gold Markets

UK MONEY MARKET

Rise in bill rate

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

The Treasury bills rates rose by 0.1792 per cent at yesterday's tender to 9.3451 per cent and the minimum accepted bid was £97.67 compared with £97.71 for 91-day bills the previous week. Bids at that level were met as to about 82 per cent. The £300m bills attracted bids of £582.71m and all bills offered were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

The average rate now reflects the present MLR of 10 per cent following the gradual realisation that interest rates were unlikely to fall in the near future. With one eye on James Callaghan's warnings on inflation rates, the market seems now to be preparing itself for a possible upward trend in rates.

Day-to-day credit was in short supply in the money market and the authorities gave assistance by buying a moderate amount of Treasury bills all direct from the discount houses. The latter were *paying 8-8½ per cent for secured* call loans at the start while closing balances were taken down to 6 per cent. The market was faced with a small net take-up of Treasury bills and the usual Friday increase in the note circulation. There was also the settlement of some gilt-edged sales to finance. The only real factor in the market's favour was a small excess of Government disbursements over revenue transfers to the Exchequer.

THE POUND SPOT

Oct. 6	Bank rate %	Day's spread	Close
U.S. $	8	1.9775-1.9850	1.9810-1.9820
Canadian $	9½	2.3290-2.3400	2.3385-2.3395
Guilder	5½	4.07½-4.10½	4.08½-4.09½
Belgian F.	6	59.05-59.55	59.40-59.50
Danish K.	8	10.42-10.47	10.45½-10.46½
D-Mark	3	3.75-3.77½	3.76½-3.77½
Port. Esc.	18	88.50-89.10	88.40-88.80
Span. Pes.	8	140.55-141.10	141.00-141.10
Lira	10½	1,620-1,627	1,625½-1,626½
Nrwgn. K.	7	9.95½-10.02½	9.97½-9.98½
French Fr.	9½	8.48-8.56	8.50½-8.51½
Swedish Kr.	6½	8.64½-8.67½	8.65½-8.66½
Yen	3½	368-376	372-374
Austria Sch.	4½	27.20-27.40	27.30-27.40
Swiss Fr.	1	3.13½-3.16½	3.13½-3.14½

Belgian rate is for convertible francs. Financial franc 62.65-62.75. * Rate for French Franc on Oct. 5 should have been 8.48½-8.49½.

EXCHANGES AND BULLION

Activity in yesterday's foreign exchange market was generally subdued ahead of the weekend and the Columbus Day holiday on Monday in the U.S. The dollar was marginally firmer against most major currencies in thin trading and was quoted at SwFr 1.5860 against the Swiss franc compared with SwFr 1.5837½ on Thursday. The U.S. currency opened stronger and touched SwFr 1.5980 before easing during the afternoon to SwFr 1.5780. However, Federal intervention later in the day helped the dollar recover to its closing levels. The West German mark was also slightly easier at DM 1.9025 against DM 1.8955 previously. The Bundesbank was again active at the fixing in Frankfurt to support the weaker members of the European snake.

On Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed slightly to 9.6 per cent against 9.7 per cent on Thursday.

Sterling opened at $1.9810-1.9825 and eased on dollar firmness to $1.9775, its lowest point for the day before recovering to $1.9830. After the dollar had received further Fed support, the pound closed at $1.9810-1.9820, a fall of just 5 points from the previous close.

Using Bank of England figures, sterling's trade weighted index improved to 62.7 from 62.6, having stood at 62.6 at noon and 62.5 in early dealings. Gold traded quietly to close $¼ stronger at a record close of $223-223½.

OTHER MARKETS

Oct. 6	£	$		£ Note Rates
Argentina Peso	1,722-1,726	869.04-871.05	Austria	27.0-28.0
Australia Dollar	1.7025-1.7095	0.8590-0.8625	Belgium	62.50-63.50
Finland Markka	7.921½-7.951½	4.0005-4.0025	Denmark	10.40-10.50
Brazil Cruzeiro	37.51-38.51	18.93-19.43	France	8.45-8.55
Greece Drachma	70.969-72.707	35.80-36.70	Germany	3.72-3.82
Hong Kong Dollar	9.56-9.58	4.7295-4.7340	Italy	1590-1640
Iran Rial	136-142	70.45-70.65	Japan	371-381
Kuwait Dinar (KD)	0.533-0.543	0.2713-0.2714	Netherlands	4.05-4.15
Luxembourg Franc	59.40-59.50	29.98-30.00	Norway	9.95-10.05
Malaysia Dollar	4.451½-4.47	2.2550-2.2600	Portugal	92-108
New Zealand Dollar	1.8567-1.8647	0.9370-0.9410	Spain	143-148
Saudi Arabia Riyal	6.54-6.64	3.3240-3.3280	Switzerland	3.05-3.15
Singapore Dollar	4.36-4.37½	2.2065-2.2080	United States	1.98-1.99
South African Rand	1.7087-1.7348	0.8623-0.8755	Yugoslavia	40.0-42.0

Rate given for Argentina is free rate.

GOLD

	Oct. 6	Oct. 5
Gold Bullion (a fine ounce)		
Close	$223-223½	$222¾-223¼
Opening	$223-223½	$223¼-224
Morning fixing	$223.20 (£112.727)	$223.40 (£112.587)
Afternoon fixing	$223.10 (£112.581)	$222.70 (£112.355)
Gold Coins domestically		
Krugerrand	$230-232 (£116-117)	$229½-231½ (£116-117)
New Sovereigns	$62½-64½ (£31½-32½)	$62½-64½ (£31½-32½)
Old Sovereigns	$61½-63½ (£31-32)	$60½-62½ (£30½-31½)
Gold Coins internationally		
Krugerrand	$229½-231½ (£116½-116½)	$230-232 (£116½-117½)
New Sovereigns	$60-62 (£30½-31½)	$61½-63½ (£31-32)
Old Sovereigns	$61½-63½ (£31-32)	$60½-62½ (£30½-31½)
$20 Eagles	$305-308	$307-310
$10 Eagles	$158-163	$158-164
$5 Eagles	$107-112	$108-113

LONDON MONEY RATES

Oct. 6 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ø	Eligible Bank Bills ø	Fine Trade Bills ø
Overnight	—	6-9	—	—	—	8¾-8⅞	6-8⅜	—	—	—
2 days notice	—	—	8⅝-9	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	8⅞-9	—	—	—	—
7 days notice	—	8⅝-8⅞	8⅞-9	—	9½	—	8⅜-8⅝	—	—	—
One month	9¼-9⁵⁄₁₆	9-9⅛	9-9¼	9⅝-9⅞	9½	9½	8⅞	9⅛-9³⁄₁₆	9³⁄₁₆-9¼	10
Two months	9⁷⁄₁₆-9⅝	9⅝-9⅝		9½-9¾	9⅞		9¼	9¼-9⁵⁄₁₆	9⅜-9½	10
Three months	9¹³⁄₁₆-9⅝	9⅞-10⅛	9¾-9⅞	9⅞-9¾	10¼	10½	9⅜	9⅝-9⅝	9¾-9⅞	10⅛
Six months	10½-10⅝	10½-10⅝	9¾-10¼	10-10¼	10¾	—	—	—	10¼-10⁵⁄₁₆	10½
Nine months	10⅝-10½	10⅞-10¾		10¾-10⅞	11	—	—	—	—	—
One year	10⅝-10½	10½-10¾	10¼-10½	10¾-10⅞	11	—	—	—	—	—
Two years			11¼-11½			—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Longer term local authority mortgage rates nominally three years 11¾-12 per cent; four years 11⅞-12¼ per cent; five years 12⅛-12⅜ per cent. ø Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 10⅛ per cent; four-month trade bills 10½ per cent.

Approximate selling rates for one-month Treasury bills 8¹¹⁄₁₆-9 per cent; and two-month 9¼-9⁵⁄₁₆ per cent; three month 9⁹⁄₃₂-9⁵⁄₁₆ per cent. Approximate selling rate for one-month bank bills 9¹¹⁄₁₆-9¼ per cent; two-month 9¹¹⁄₃₂-9⅜ per cent; and three-month 9⅞-9¹¹⁄₁₆ per cent. One-month trade bills 9¾ per cent; two-month 9⅞ per cent; and also three-month 9⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association) 9½ per cent from October 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 6.7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 9.3451.

CURRENCY MOVEMENTS

October 6	Bank of England Index	Morgan Guaranty changes %
Sterling	62.65	−41.1
U.S. dollar	83.15	− 9.6
Canadian dollar	79.42	−17.9
Austrian schilling	143.84	+18.8
Belgian franc	112.03	+14.0
Danish krone	115.87	+ 5.6
Deutsche Mark	146.15	+39.0
Swiss franc	205.12	+93.6
Guilder	122.04	+18.6
French franc	99.02	− 5.7
Lira	55.61	−47.5
Yen	153.85	+51.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES*

Oct. 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	9-9½	8¾-9	8¼-9¼	22-27	⅛-⅜	3¼-3⅝	7¼-7½	—		5⅛-5⅝
7 day's notice	11¾-12¼	8¹³⁄₁₆-9	8¼-9¼	20-25	par-¼	3¼-3⅝	7¾-8	13-17	8⅞-9	1⅛-3⅛
Month	12⅜-12¾	9⅝-9⅞	8¹³⁄₁₆-9⁵⁄₁₆	16-17	⅛-¼	3⅜-3⅞	9⁵⁄₁₆-9⁹⁄₁₆	15-16	9⁵⁄₁₆-9⁷⁄₁₆	2⅛-2½
Three months	12⅞-13¼	9⅝-9⅞	9⅛-9⅜	11-12	⅛-⅛	3⅝-3¹⁵⁄₁₆	9⅝-9¹³⁄₁₆	14½-15½	9⅝-9¾	3-3⅛
Six months	13¼-13⅝	9⅞-10⅛	9⅜-9¾	10-11	½-⅝	3⅝-3¾	9⅞-10⅛	14-15	9⅞-10	3¼-3⅝
One year	13-13⅜	9⅞-10⅛	9⅝-9¾	8½-9½	⅞-1⅛	3¾-3⅞	10⅛-10⅝	13¾-14¾	9⅞-10	3⁷⁄₁₆-3¹¹⁄₁₆

The following nominal rates were quoted for London dollar certificates of deposit: one month 9.15-9.05 per cent; three months 9.60-9.50 per cent; six months 9.85-9.75 per cent; one year 9.90-9.80 per cent.

Long-term Eurodollar deposits: Two years 9¾-9⅞ per cent; three years 9¾-9⅞ per cent; four years 9¾-9⅞ per cent; five years 9¾-9⅞ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two day call for guilders and Swiss francs. Asian rates for closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 6/10/78

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Associated Paper 9¼pc Cv. 85-90	1.40	111.00	200.0	76-79	8.7	7.8	− 5.1	−10 to 2	5.1	4.6	− 0.5	+ 4.7
Bank of Ireland 10pc Cv. 91-96	1.20	190.00	47.6	77-79	5.3	1.9	− 5.5	− 7 to 3	11.0	4.7	− 3.1	+ 2.3
British Land 12pc Cv. 2002	7.71	166.00	333.3	80-97	7.2	6.5	13.2	1 to 22	0.0	89.6	61.1	+47.9
English Property 6½pc Cv. 98-03	8.07	86.00	234.0	76-79	7.5	7.7	− 5.8	−11 to −4	8.4	0.0	− 9.2	− 3.5
English Property 12pc Cv. 00-05	15.31	84.00	150.0	76-84	14.1	14.2	43.6	−200 to 51	31.0	44.2	22.6	−21.0
Hanson Trust 6½pc Cv. 88-93	4.51	81.00	57.1	76-80	8.0	8.8	3.5	− 1 to 12	8.4	6.0	− 3.0	− 6.5
Hewden-Stuart 7pc Cv. 1995	0.04	360.00	564.5	75-79	2.0		− 1.1	−30 to 1	9.2	3.4	− 1.6	− 0.5
Slough Estates 10pc Cv. 87-90	5.50	167.00	125.0	78-86	6.1	1.9	15.2	5 to 16	29.0	50.6	14.9	− 0.3
Tozer, Kemsley 8pc Cv. 1981	0.78	93.00	153.9	74-79	8.6	10.5	7.9	1 to 14	7.3	3.8	− 4.2	−12.1
Ultramar 7pc net R. Cv. Pfd.	15.12	1.39	0.5	76-88	7.6	5.5	15.3	− 1 to 19	0.0	60.3	50.0	+34.7
Wilkinson Match 10pc Cv. 83-98	11.10	93.00	40.0	76-83	11.1	11.2	32.9	24 to 40	20.0	38.2	13.3	−19.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Little incentive pending clarification on wage talks

30-share index drifts 1.8 lower to 503.0—Short Gilts ease

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sep. 18	Sep. 28	Sep. 29	Oct. 10
Oct. 2	Oct. 12	Oct. 13	Oct. 24
Oct. 16	Oct. 26	Oct. 27	Nov. 7

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With institutional investors seemingly resigned to await developments on the Government/union wage talks and the disputes at Ford and BOC, stock markets yesterday lacked incentive.

The equity sections were particularly uneventful and the leaders drifted a few pence easier on lack of interest but steadied after the first hour or so. This was illustrated by the FT Industrial Ordinary share index, which was two points off at the 11 am calculation and finally a net 1.8 down at 503.0.

So, despite the Government's defeat on the 5 per cent pay limit early in the week at the Labour Party confrence in Blackpool and the Prime Minister's stated determination later to resist a wages explosion, both of which caused volatility in equity markets, sentiment in the end was marginally firmer on the period.

Secondary stocks, on the whole, were equally lacking in interest but isolated pockets of business occurred in special situations and in some issues recommended by brokers' circulars. Bargains marked fell to 4,172, the lowest since July 14 when the figure was identical.

Conditions were just as quiet in the Gilt-edged sector. The shorter maturities were reportedly influenced by this week's rise in Treasury bill rates and lost a shade, but mediums and longs held at overnight levels awaiting the latest banking statistics, due on Tuesday.

Among recently-issued Fixed Interests, Kent Water 7 per cent preference 1983, of which 40.58 per cent was left with the underwriters, made its debut at 9¼ in £10-paid form. Provincial Laundries 12 per cent convertible 1986-88, issued by way of rights to ordinary shareholders, in contrast, settled at £22 premium, after having opened at £19 premium.

Another small and well-balanced trade on both institutional and arbitrage account in the investment currency market saw the premium touch a day's high of 84½ per cent before reacting to finish a net 1 per cent lower at 82½ per cent. Yesterday's SE conversion factor was 0.7191 (0.7128).

Reflecting opening activity on the Canadian bourse on speculation of a pending bid from Canadian Pacific Railway, Inco were raised here late by 1½ to

Interest in the Traded Option market yesterday centred around EMI in the wake of the results and news of company's licensing agreement with Johnson and Johnson. Of the overall total of 523 contracts completed, 236 were done in EMI and prices of its November 140, and February 140, series jumped 12 to 22p and 10 to 20p respectively.

FNFC wanted

Proceedings in the banking sector were enlivened by activity in FNFC isues which came in for a fair amount of speculative support which left the ordinary 1¾ higher at 8p, after 8½p, the Warrants ¼ dearer at 1½p and the 9½ per cent Unsecured Loan 1992-97 2 points up at £37; revived talk of a possible bid and of recent suggestions that the group may soon be in a position to resume interest payments on the loan were the main reasons being put forward for the sudden burst of interest.

Breweries drifted gently lower in light trading. Elsewhere, Macallan Glenlivet rose 10 to 410p on small buying in a thin market. Amalgamated Distilled Products, at 32p, finished a penny cheaper following the recent advances fuelled by speculation on the disposal of the company's Robert Porter subsidiary.

Timber issues drew further inspiration from the International Timber/Bambargers merger, and in a lively trade, speculative support lifted Phoenix 8 to 155p and Parker 5 to 111p. Elsewhere Y. J. Lovell improved 5 more to 113p and, in a thin market, Brown and Jackson gained 12 at 246p. Bryant Holdings shed 4 at 47p following news of a £2.6m provision for likely Saudi Arabian losses, and mirroring the lower interim profits, G. W. Sparrow eased 2 at 100p. Francis Parker finished fractionally higher at 18½p following the mid-term report. Disappointing half-year profits left Aberthaw Cement 9 down at 143p.

ICI, 396p, and Fisons, 343p, both closed with marginal falls, but Wolstenholme Bronze put on 10 more to 265p, a two-day gain of 35 on the excellent interim results. Leigh Interests turned dull on lack of interest and fell 9 to 145p.

Burton good

Stores were notable for a resurgence of speculative buying in Burton issues on revived bid hopes. Following a good demand which continued well into the late dealings, the ordinary closed 12 to the good at 180p, while the "A" rose 11 to 174p, and the Warrants firmed 4½ to 44p. Elsewhere, the revelation that A. G. Stanley has acquired over a 10 per cent holding in Morris and Blakey Wallpapers helped the latter's ordinary rise 10 to 108p and the "A" gain 6 to 94p, after 96p. Further investment buying left Bambers up 8 more at 159p, making a rise on the week of 21. Demand ahead of next Thursday's interim figures prompted a gain of 8 to 175p, after 180p, in Foster Bros. Losses of 4 and 5 respectively were seen in Cantors "A," 41p, and Midland Educational, 175p, while Dixons Photographic, at 132p, gave up 4 of the previous day's rise of 11 which followed Press comment and the chairman's favourable remarks at the annual general meeting. Among Shoes, Footwear Industry Investments fell 4 to 70p, after 63p, on the surprise news that the bid discussions have been terminated.

Still reflecting the prospect of substantial profits from the scanner licensing agreement with Johnson and Johnson of the U.S., EMI were actively traded up to 163p before closing a net 1½ better at 160p for a rise of 17 on the week; the 8½ per cent convertible hardened three points to £98. Elsewhere in Electricals, Pye hardened a penny to 87p on news of a design and development contract which could result in orders worth over £100m, but the announcement of the sale of its C. M. Churchouse subsidiary to Crompton Parkinson for around £1.4m in cash failed to stimulate Berec which shaded 2 to 148p.

The majority of Engineering leaders barely stirred from overnight levels, but Hawker Siddeley remained on offer after the run up earlier in the week and reacted 9 more to 246p; last year the interim results were announced on October 20. GKN, 268p, and Tubes, 382p, both eased a few pence, but Vickers managed to harden 2 to 190p. Secondary issues fared little better than the leaders in the way of activity. The encouraging statement on second-half trading which accompanied the interim results prompted an improvement of 3 to 87p in Richards (Leicester), and Ransomes Sims firmed a similar amount to 183p. Charles Clifford, a recent speculative favourite, eased 2 more to 128p, while Lake and Elliot gave up 2 to 49p awaiting Monday's preliminary results.

Foods had opposing movements in Batleys of York, 4 up at a 1978 peak of 75p, and Associated Dairies, 3 cheaper at 245p. Robertson Foods, at 156p, lost 4 of the recent strength prompted by rumours of a forthcoming bid from Rowntree Mackintosh. Bejam, at 85p, held the previous day's improvement of 6 on the scrip issue proposal which accompanied the results.

Hotels and Caterers were noteworthy only for a late flurry in Ladbroke, which improved 7 to 193p on hopes that the company will shortly receive permission for the shares to be listed in America.

Glaxo easier

The previous day's quietly dull trend was repeated by the miscellaneous Industrial leaders as buyers remained content to sit on the sidelines. Glaxo drifted 8 lower to 627p ahead of Monday's preliminary results while Beecham eased 10 to 700p. Elsewhere, Spong lost 5 to 33p, after 32p, in reaction to the first-half profits setback and omission of the interim dividend. Wilkinson Match rose 5 to 180p following an investment recommendation. The announcement that the company is closing its loss-making French concern helped LRC improve 2½ to 36½p, while Beatson Clark added 2 to 202p. Buyers came for Magnolia which improved 5 afresh to 130p, and Diploma Investments were also notable for a rise of 7 at 200p. Ricardo put on 8 to 314p and continuing talk of pending U.S expansion details left Sotheby Park Bernet 5 to the good at 310p.

Interest in Motors and Distributors was small and movements were few. H. and J. Quick responded to Press comment with a rise of 2 to 40p along with Associated Engineering, a similar amount higher at 110p.

News International made a further modest response to comment on Wednesday's interim statement and ended a couple of pence better at 265p, a gain of 20 since the announcement. In Paper/Printings, Hawthorn Baker firmed 5 to 73p in a thin market, but scattered offerings clipped 3 from Richard Clay at 88p.

Midhurst Whites moved up 4½ for a two-day rise of 7½ to 48p to match the offer terms from the Dutch group Wereldhave which has already purchased 44 per cent of Midhurst's share capital at the same price.

English Property put on 1½ to 40½p following the interim results, while Land Securities and MEPC made late progress and firmed a couple of pence to 235p and 145p respectively. Imry were wanted ahead of next Friday's annual results and improved 7 to 352p. Buyers supported Town Centre which added 4 to 76p and Mountview Estates, 3 better at 77p.

Oils drift lower

Oil leaders drifted lower before a few scattered buyers appeared towards the close and left final quotations a few pence above the worst. British Petroleum ended 8 cheaper at 898p, after 896p, and Shell 4 lower at 572p, after 570p. Royal Dutch eased ⅜ to £45¼ on currency and dollar premium influences. Elsewhere, Tricentrol encountered fresh offerings and gave up 6 further to 174p, but Siebens (U.K.) picked up 2 to 328p, after having been down to 320p. Lasmo eased 4 to 146p and Oil Exploration were similarly cheaper at 210p. Cluff Oil fell 12 to 400p following the proposed rights issue in units of convertible "A" shares and income warrants.

Small buying in a restricted market gave a boost to Paterson Zochonis, the A rising 12 to 190p and the ordinary 13 to 195p.

London Merchant Securities featured Financials with a rise of 8 to 151p on renewed speculative interest in a limited market. Other firm spots included S. Pearson, 6 to the good at 234p. A slow trade in Investment Trusts left prices narrowly mixed.

Shippings were generally better where changed. P. and O. Deferred closed 1½ harder at 92½p, while Hunting Gibson, 108p, and Common Bros, 130p, put on 3 and 4 respectively.

Among Textiles, Dawson International rallied 4 to 199p and the "A" 5 to 199p following the previous day's reaction on a Press suggestion that the bid worth 208p per share from Wm. Baird may prove abortive. Scattered demand left SEET 2 dearer at 68p while, in smaller-priced issues, Wm. Pickles gained a penny to a peak for the year of 16p. A brokers review had little impact on the Tobacco sector.

Rubbers edged higher. Chersonese hardened 2 to 50p, while Highlands, 115p, and Malakoff, 67p, put on 4 and 5 respectively.

South Africans had an isolated dull spot in Gold Fields Properties which slipped 4 to 63p.

Platinums up again

Platinums and Rhodesians held the stage in an otherwise dull mining market. Platinums moved further ahead in response to the continuing buoyancy of the free market metal price which is approaching the $300 per ounce mark.

Also aiding the trend in shares were excellent results from both Rustenburg and Lydenburg, coupled with a broker's circular recommending Rustenburg.

The latter advanced 5 more to equal their 1978 high of 107p, a week's improvement of 18, while Lydenburg rose a similar amount to 73p. Bishopsgate put on 3 to 103p, a gain on the week of 14.

Rhodesians strengthened following news that Zambia had reopened the rail route through Rhodesia. Falcon Mines put on 10 to 170p and Messina 2 to 72p. Zambia Consolidated Investments hardened to 15p.

South African Golds, however, tended to drift in subdued trading, despite the continuing steadiness of the bullion price, which was finally 25 cents firmer at $223.375 per ounce.

Nevertheless, improvements earlier in the week in front of the International Monetary Fund gold auction left the Gold Mines index, 1.4 off yesterday, 3.9 better on the week at 172.5.

South African Financials were generally a shade easier in line with Golds. A notable exception, however, was provided by "Johnnies," which advanced a half-point to £15¼ reflecting their substantial platinum interests.

Among other South Africans, Anglo American Corporation eased 2 to 376p but were still 36 higher on the week following aggressive American buying on Tuesday and Wednesday.

London-registered Financials held steady. Gold Fields were unaltered at 185p in front of next Wednesday's results while Selection Trust dipped 2 to 472p despite Amax increasing its quarterly dividend rate.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 26	Oct. 9	Dec. 28	Jan. 9
Oct. 10	Oct. 23	Jan. 11	Jan. 23
Oct. 24	Nov. 6	Jan. 25	Feb. 6

For rate indications see end of Share Information Service

Money was given for the call in Bamber, Duple International, Premier Cons. Oil, First National Finance 9½ per cent 1992-97, Grand Metropolitan, J. Halstead, EMI, Cons. Gold Fields and English Property. A put and a double were taken out in First National Finance.

FINANCIAL TIMES STOCK INDICES

—	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Sept. 29
Government Secs.	69.89	69.95	69.97	69.85	69.71	70.00
Fixed Interest	71.83	71.82	71.61	71.59	71.78	71.85
Industrial	503.0	504.8	511.1	505.2	499.2	500.5
Gold Mines	172.5	173.9	174.1	168.2	163.1	168.6
Ord. Div. Yield	5.34	5.31	5.24	5.31	5.37	5.36
Earnings, Y'ld% (full)(*)	14.80	14.98	14.79	14.98	15.18	15.12
P/E Ratio (net) (*†)	8.94	8.85	8.96	8.88	8.75	8.77
Dealings marked	4,172	4,793	5,038	4,629	4,984	4,842
Equity turnover £m	—	69.83	87.36	62.74	63.14	66.06
Equity bargains total	—	16,368	18,202	15,499	14,764	17,365

10 am 504.2. 11 am 502.8. Noon 502.8. 1 pm 502.6. 2 pm 503.2. 3 pm 503.2.

Latest Index 01-246 8026.

*Based on 52 per cent corporation tax. †Nil=8.70.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.85 (3/1)	68.79 (5/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8)	130.3 (6/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 6
—Daily	
Gilt-Edged	145.9
Industries	145.0
Speculative	33.6
Totals	95.0
5-day Average	
Gilt-Edged	189.5
Industrials	165.6
Speculative	35.4
Totals	107.5

LONDON TRADED OPTIONS

Option		November		February		May	
Totals	550	28	3 / 117	47	1 / 95	62	— / 30
BOC Intl.	80	¾	—	2	40	5½	—
EMI	140	24	54	27	25	35	—
EMI	160	12	41	18	57	24	20
EMI	180	3	20	10	19	13	—
RTZ	260	6	5	19	—	28	—
Totals			120		141		20

GLC raises home loans ceiling to £19,000

BY MICHAEL CASSELL

THE BORROWING ceiling for Greater London Council home loans is to be raised from £15,000 to £19,000.

The council will also be prepared to consider loans on properties valued at up to £25,000, whereas before it has only considered advances on properties not valued at more than the actual mortgage ceiling.

The latest move means that, since last year, the GLC will have raised its borrowing limit from £11,000 to £19,000. The present rate of interest is per cent and this year the council earmarked £32m for loans, of which about £8m still available.

Mr. George Tremlett, housing policy leader, said: think the decision realistic reflects the way in which market has moved in the past months and our measures designed to bring the chance of home ownership to as many people as possible."

Loan problems, Page 16

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	2	19	55	127	101	152
Corporations, Dom. and Foreign Bonds	4	3	55	30	49	231
Industrials	244	276	1,011	1,802	1,540	4,320
Financial and Prop.	84	117	313	542	5.3	1,492
Oils	6	16	14	37	47	96
Plantation	11	5	15	36	21	98
Mines	33	57	49	222	205	268
Recent Issues	5	8	33	59	37	124
Totals	389	501	1,545	2,855	2,533	6,781

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
EMI	50p	14	160	+ 1½	190	130
BP	£1	9	898	− 8	926	720
Shell Transport	25p	9	572	− 4	602	484
FNFC	10p	8	8	+ 1¾	8½	1¾
GEC	25p	8	330	+ 3	338	233
Comben "New"	10p	7	32	+ 1	32	30¼
BAT Inds.	25p	6	303	—	346	267
Hawker Siddeley	25p	6	246	− 9	268	168
ICI	£1	6	396	− 1	421	328
Rank Org.	25p	6	267	+ 2	296	226
Beecham	25p	5	700	−10	743	583
Commercial Union	25p	5	140	− 1	164	138
Dalgety "New"	Nil/pd.	5	37pm	—	41pm	33pm
Midland Bank	£1	5	338	—	390	330
P & O Defd.	£1	5	92½	+ 1½	118	83½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
BP	£1	65	898	+ 6	926	720
ICI	£1	64	396	+ 6	421	328
Shell Transport	25p	63	572	+ 8	602	484
GEC	25p	55	330	+10	338	233
EMI	50p	48	160	+17	190	130
Beecham	25p	45	700	−15	743	583
BATs Defd.	25p	43	260	− 5	304	227
Thorn Elect.	25p	40	374	+ 2	400	308
Dalgety "New"	Nil/pd.	38	37pm	− 1	41pm	33pm
Marks & Spencer	25p	38	83	—	94	67½
Rank Org.	25p	38	267	+ 9	296	226
ICL	£1	37	467	+35	480	206
RTZ	25p	36	250	+ 8	258	164
Barclays Bank	£1	33	330	+ 2	368	296
Grand Met.	50p	33	110	—	121	87

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (35)

NEW LOWS (12)

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST PRICE INDICES

FIXED INTEREST YIELDS

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

G.T. Unit Managers Ltd.

G. & A. Trust (a)(g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.

Intel (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Lawson Secs. Ltd. (a)(c)

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mgemnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Piccadilly Unit Trust (a)(b)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rothschild & Lowndes Mgmt. (a)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Save & Prosper continued

Scotbits Securities Ltd.

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Target Tst. Mgrs. (Scotland) (a)(b)

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

TSB Unit Trusts (y)

Tyndall Managers Ltd.

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

CORAL INDEX: Close 502-507

INSURANCE BASE RATES

Property Growth	10¼%
Vanbrugh Guaranteed	9.75%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (U.K.) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (U.K.) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Bank of America International S.A.

Banque Bruxelles Lambert

Barclays Unicorn Int. (Ch. Is.) Ltd.

Barclays Unicorn Int. (I. O. Man) Ltd.

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Tst. Mngmt. (CI) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Bank (Guernsey) Ltd./Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Fund Mgrs. Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Overseas Fund S.A.

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Keyselex Mngt., Jersey Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank Intl. Geneva.

M & G Group

Samuel Montagu Ldn. Agts.

Murray, Johnstone (Inv. Adviser)

Negit S.A.

Negit Ltd.

Phoenix International

Quest Fund Mngmnt. (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mngt. (Bermuda)

Royal Trust (CI) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Unit Trust Managers (C.I.) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

Utd. Intnl. Mngmnt. (C.I.) Ltd.

United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. † Yield based on offer price. ‡ Today's opening price.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	24	......	—	—
41	33	Do. 5pc Pref.	41	......	—	—
98	98	Chilean Mixed	98	......	—	13.09
415	350	German Yng. 4½pc.	411	......	4½	—
54	46	Greek 7pc Ass.	52	......	3½	f6.94
51	46	Do. 6pc 28 Stab. Ass.	50	......	6	f6.07
44	40	Do. 4pc Mixed Ass.	42	......	4	f4.83

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 39⅛% (based on US$1.9811 per £)

CANADIANS

[illegible]

S.E. List Premium 39⅛% (based on $2.3334 per £)

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

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حكمة أمين الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

104	70	Messina R0.50	72	+2	tQ30c	1.9	♦

MISCELLANEOUS

68	35	Barymin	56	.....	—	—	—
17	9	Burma Mines 17½p.	13	.....	—	—	—
300	215	Cons. Murch. 10c	240	.....	‡Q30c	2.6	‡
465	245	Northgate C$1	435	.....	—	—	—
258	164	R.T.Z.	250	.....	9.5	2.8	5.8
90	30	Sabina Inds. C$1	56	.....	—	—	—
£12	750	Tara Explo. $1	862	+25	—	—	—
75	43	Tehidy Minerals 10p	75	.....	♦1.35	♦	2.7
185	120	Yukon Cons. C$1	145	.....	Q7c	2.9	2.3

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∇ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	25	.....
Ash Spinning	49	.....
Bertam	18	.....
Bdgwtr. Est. 50p	330	+5
Clover Croft	25	.....
Craig & Rose £1	520	.....
Dyson (R. A.) A.	37	.....
Ellis & McHdy.	67	.....
Evered	27	+½
Fife Forge	52	.....
Finlay Pkg. 5p.	29	.....
Graig Ship. £1	145	+5
Higsons Brew.	80	.....
I.O.M. Stm. £1	167	+2
Holt (Jos.) 25p	258	.....
Nthn. Goldsmith	67	.....
Pearce (C. H.)	193	.....
Peel Mills	21	.....
Sheffield Brick	56	+2
Sheff. Refrshmt.	63	.....
Sindall (Wm.)	105	.....

IRISH

Conv. 9% '80/82.	£99⅞	—⅛
Alliance Gas	68	.....
Arnott	370	—15
Carroll (P.J.)	100	.....
Clondalkin	80	.....
Concrete Prods.	130	.....
Heiton (Hldgs.)	49	—1
Ins. Corp.	180	.....
Irish Ropes	110	.....
Jacob	63	+3
Sunbeam	31	+1
T.M.G.	194xd	+9
Unidare	85	.....

OPTIONS

3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	30
A. Brew	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	20	Utd. Drapery.	7½
B.S.R.	9	Inveresk	8	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank.	25	Ladbroke	17		

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday October 7 1978

MAN OF THE WEEK

Agony of a nuclear conscience

BY WILLIAM DULLFORCE

"YOU CANNOT go on compromising until you have lost your soul. This was how Sweden's Prime Minister Mr. Thorbjorn Falldin explained his resignation to a shattered Parliament on Thursday evening. It sums up a man who may go down in history as the anti-Socialist who because of his conscience missed the opportunity to stem the tide of socialism in Sweden.

Ever since he came to power in 1976 as leader of the three-party coalition which unseated the Social Democrats for the first time in 44 years Mr. Falldin has ben torn between his personal conviction that nuclear power was unsafe and his political duty to consolidate the non-Socialists' election victory. On Thursday he sought relief from his agony.

On first acquaintance Mr. Falldin is not the kind of man prone to such wrestlings of the soul. A big, slightly unkempt, bluff farmer, he appears to be safely buttressed by his belief in the old-fashioned virtues of work, family, church and country.

He emerged on the Swedish political scene as the antithesis of Mr. Olof Palme, the sophisticated urban intellectual chosen

Thorbjorn Falldin
Sincerity and goodness came across

by Mr. Tage Erlander, Sweden's long-term Prime Minister, to run the Social Democrat Party and the Government. Mr. Palme is a political animal, brilliant in debate. Mr. Falldin fumbles for words before the television cameras but the sincerity and goodness of the man come across.

He was thus a suitable focus for many Swedes' reaction against the increasing collectivism of their society. But in the early 1970s the environmental movement was also making a strong impact on Swedish public opinion and it was largely by offering a platform to the environmentalists that Mr. Falldin's Centre Party gained electoral support and displaced the Liberals as the largest anti-Socialist party.

Mr. Falldin himself was converted to the anti-nuclear movement principally by professor Hannes Alfven, a Nobel science prize winner, who works very closely with American anti-nuclear scientists. It is this dual role as anti-nuclear crusader and anti-Socialist leader that Mr. Falldin has not been able to sustain. In the 1976 election campaign he promised to "halt Sweden's march into the nuclear society," a call which may have gathered enough last-minute votes to beat the Social Democrats. But the other non-Socialist parties, the Liberals and Moderates (Conservatives), are pro-nuclear.

Mr. Falldin made his first compromise by letting the sixth power station come into operation but in return he got agreement for a thorough review of Sweden's energy alternatives and a law, compelling the power companies to come up with uncontestable methods for storing radioactive nuclear waste before they could activate any further reactors.

For Mr. Falldin and most Centre Party members this law spelt an effective stop to further nuclear development. Not so for the Liberals. Moderates and the power companies, who believed that the conditions could be met. This difference of interpretation has bedevilled the coalition, which worked smoothly and successfully at restoring the Swedish economy, but time and again lurched to crisis to compromise over nuclear decisions. Mr. Falldin's credibility and conscience became the pivot on which Swedish politics revolved.

Mr. Falldin's agony is over for the time being. He is now free to fight unreservedly for his anti-nuclear convictions. The latest opinion polls indicate that a majority of Swedes believe the country should continue with nuclear power. But the minority is large and, if Mr. Falldin can make nuclear power the central issue of the next election, his party may remain the second largest in the Riksdag. What he has done to the anti-Socialist cause is another matter.

Russia urged to help ease Lebanon crisis

BY OUR FOREIGN STAFF

INTERNATIONAL EFFORTS to stop the fighting in Lebanon gathered pace yesterday as the battle between the mainly Syrian Arab peace-keeping force and the Christian militias increased in ferocity.

President Jimmy Carter personally contacted Mr. Leonid Brezhnev, the Soviet President, asking him to use Soviet influence to ease the crisis.

Mr. Jody Powell, White House Press Secretary, gave no details of the President's exchange with Mr. Brezhnev, except to comment that "the Soviets do have some influence in the region."

Meanwhile, Mr. Cyrus Vance, the U.S. Secretary of State, returned to New York to push for action in the UN Security Council, which agreed to meet to consider a further bid to end the bloodshed.

The U.S. previously supported the call by France for an immediate ceasefire and the separation of Syrian forces from the Christian militias. Mr. Hafez al-Aassad, the Syrian President, whose forces have been pounding the Christian areas of Beirut with heavy artillery and rocketfire, showed little interest in the plan, however.

The Security Council decided to meet after the President, M. Jacques Leprette of France, reported that his appeal had gone unheeded. The Soviet Union and China are understood to have agreed that the time had come for a formal examination of the crisis.

Kuwaiti delegate Abdalla Bishara and Mr. James Leonard of the U.S. were reported to be negotiating on the text of a resolution calling for a ceasefire and a separation of forces. It will be the first time the Security Council has debated the internal conflict in Lebanon.

In Beirut the fighting continued unabated after the overnight Israeli naval raid on a Palestinian base to the west of the city. Israel has told the U.S. that the aim of the attack was to thwart a planned operation by the Palestine Liberation Organisation.

Attempts by the Chirstian militias to take two strategic bridges controlling the supply routes to the north are reported to have failed. The Arab peace-keeping force said that two super-Sherman tanks used by the militiamen had been destroyed.

The Christian radio said that it was impossible to give casualty figures because of the complete collapse of communications in the Chirstian sector.

Food and medicines were reported to be running out and there was no water or electricity, the reports added.

Mortar fire was directed at the U.S. embassy in west Beirut wounding 12 people, including a U.S. marine sergeant.

British citizens who do not have urgent business in Lebanon should consider leaving, the Foreign Office said yesterday.

There are an estimated 300 Britons living in the country.

Christians trapped in Beirut, Page 2

Gromyko gives pledge on U.S.-Soviet summit

BY DAVID SATTER IN MOSCOW AND DAVID BUCHAN IN WASHINGTON

MR. ANDREI GROMYKO, the Soviet Foreign Minister, said tonight that Mr. Leonid Brezhnev, the Soviet President, would be willing to meet President Carter for the first U.S.-Soviet summit in four years if a finished strategic arms limitation treaty was ready to sign.

Speaking for a national television audience, Mr. Gromyko made explicit what had always been a Soviet condition for a meeting between Mr. Brezhnev and Mr. Carter—that there be a document to sign—and indicated in the process that progress in the SALT negotiations had brought a new pact very close.

Mr. Gromyko said that President Carter had expressed a wish to meet Mr. Brezhnev and the Soviet position had been that Leonid Brezhnev was ready to meet President Carter if, of course, the relevant documents were prepared and, first of all, the treaty on limitation of strategic arms.

He said that SALT talks with President Carter and Mr. Cyrus Vance, the U.S. Secretary of State, had yielded 'some shifts in the necessary, correct direction" but that it was still impossible to say that the question was resolved.

Mr. Vance goes to Moscow later this month to hold possibly the last SALT negotiating session.

Mr. Gromyko said that it was the Soviet view that a summit meeting should end with "something substantial to be confirmed, to be signed," with "an important step in favour of deepening the relaxation of tension, an important step in favour of peace."

Mr. Gromyko said that President Carter had assured him of the Administration's commitment to a new SALT treaty and expressed the view that Congress would ratify an accord once it was signed.

But Mr. Paul Warnke, who has served as Mr. Vance's chief full time SALT negotiator, has made it known he will resign once a SALT 2 agreement has been reached. Mr. Warnke has had an exceptionally busy past 18 months as the head of the Arms Control and Disarmament Authority because of the multi? tude of negotiations embarked on by the Carter Administration, and wants to leave for personal reasons.

Last week Administration officials, including President Carter, held four days of talks with Mr. Gromyko. These smoothed over most of the remaining obstacles, U.S. officials say. American worries that the Russian Backfire bomber could be used to strike directly at the U.S. are now largely assuaged—partly because the U.S. had insisted on its option to develop a similar bomber as a successor to the F-111.

Development and testing of new types of missile had been a stumbling block. But officials here now say it has been agreed in principle that both superpowers may develop only one new type of land-based missile until the SALT 2 Agreement runs out in 1985. For the U.S., this is considered likely to be the proposed mobile missile system, and for the Russians, a successor to their SS-11 missile.

There is to be no constraint, except of course in terms of overall numbers, on both sides forging ahead with new types of missiles that can be fired from submarines.

Gifts to Tory funds up 50%

BY RUPERT CORNWELL, LOBBY STAFF

THE CONSERVATIVES yesterday reported a 50 per cent rise in donations to the party's central funds last year mainly from industry and business.

And there was every sign that the inflow had quickened still further until the Prime Minister unexpectedly backed out of an October General Election.

Central Office accounts for the year to March 31, 1978, showed that net "donations"—the category which covers unspecified contributions from industry and elsewhere—rose from £1.3m in 1976-77 to £1.94m, far exceeeding the £663,276 sent in by the constituencies.

Presenting the 1977-78 annual party report at a Press conference, Mr. Alistair McAlpine, the Conservative treasurer admitted that the last few months had seen a 'very dramatic' improvement in donations. "The trend is that lots of new contributors, including industrialists, are giving us money."

Nonetheless, the accounts, as might be expected, give only the barest of outlines of the war chest that the party would have at its disposal to fight an election. Mr. McAlpine claimed that only a dozen out of the top 100 companies aided the party and that the average size of corporate donations was only about £200.

Lord Thorneycroft, the Tory chairman, declined to give details of the money received from the British United Industrialists organisation.

"It collects funds for free enterprise. Among the institutions fighting for free enterprise you must include the Conservative Party," was all he would say.

The accounts show that the party's central income climbed by about a third last year to £2.8m. The budgeted figure for expenditure in 1978-79, exclusive of special general election spending has been set at £3.1m.

Central Office also turned an £82,000 deficit in 1976-77 into a surplus of £40,000 last year.

As usual, the vast bulk of money for the party came from and was used in the constituencies. The local parties raised an estimated £5m.

In the year to last March the Conservative publicity bill, including advertising, came to £276,000, but this was before the arrival of Saatchi and Saatchi.

It is believed that spending in the run-up to the election-that-never-was totalled about £500,000, which is far below the Labour Party's claims of £2m.

Continued from Page 1

Living standards

sharp rise in the percentage of income saved. Th personal savings ratio rose from 12.6 to 15.3 per cent between the first and second quarters. The average for 1977 was 14.1 per cent.

The jump this year is similar to that which occurred between the third and fourth quarters last year. Economists expect the savings ratio to fall in July-August as the increase in incomes is reflected in higher consumer spending.

Government statisticians have made a sharp downward revision in the figures for underlying company profitability. Gross trading profits of companies, adjusted for stock appreciation and seasonal factors, was 12.7 per cent below the original estimate at £2.65bn.

This means that whereas the original estimate showed profitability in current prices slipping by 1.9 per cent between the two quarters, the real drop is just over 16 per cent.

The longer-term trend, far from being more or less steady, as thought, is now in decline. In the first half of the year, real profits were 1.1 per cent below the level of the previous six months, and the drop is greater when inflation is taken into account.

Nearly all the revision was due to an original underestimate of stock appreciation. This was 41 per cent higher than first thought, at £1.4bn.

Mann Judd resigns as Barrow Hepburn auditors

BY CHRISTINE MOIR

MANN JUDD has resigned as auditors of Barrow Hepburn, the leather group which recently uncovered "serious irregularities" in its Glasgow subsidiary, Schrader Mitchell and Weir.

The surprise announcement that Price Waterhouse has been appointed to replace Mann Judd comes while another independent firm of accountants, Whinney Murray, is completing its investigations into possible frauds at Schrader Mitchell.

Barrow Hepburn has already disclosed that these may cost the group as much as £4.2m, of which £1m has already been provided for.

The company has also called in the Glasgow Fraud Squad over the matter, and has said that it is considering legal action against "both individuals and groups."

Yesterday a spokesman for Mann Judd said that he could not make any comment over whether Barrow's statement implied the possibility of action against Mann Judd, but that "if any action were taken, we should certainly contest it.

"We would argue that we had done what we ought to have done."

He agreed that the firms resignation as auditors was as the result of discussions with Barrow Hepburn and mutually agreed with the board. "It was in the best interests of shareholders that another firm of auditors should take a fresh view," the spokesman added.

None of the board of Barrow Hepburn was available to comment last night on whether the company still intends to pursue legal action over the shortfall at Schrader Mitchell.

Continued from Page 1

Zambia

about 58,000 tonnes of Zambian fertiliser was still at Maputo, 4,000 tonnes in Francistown and 6,000 tonnes in transit.

In addition 30,000 tonnes are in South African ports awaiting transport. This will now be sent to Zambia through Pretoria, Mafeking, Francistown, Bulawayo and Livingstone, Dr. Kaunda said.

Tony Hawkins adds fdom Salisbury: As he left Salisbury today, for th U.S., Mr. Ian Smith welcomed Zambia's decision.

"I think this is going to do this country a lot of good," he said, adding that had the Zambian leader done this before there would have been "less suffering" for the people of Zambia.

● Seven peers and 10 Conservative MPs have invited Mr. Smith to visit Britain.

Nigerian accounts blocked in Paris

By David Curry

PARIS, Oct. 6.

A NUMBER OF large French banks have been instructed by a Paris court to block Nigerian bank accounts because of the continued failure of Nigeria to settle a debt for cement dating from 1975.

The decision was taken by the Paris Tribunal de Grande Instance upon the application of the French trading company Ipitrade. Some of the banks involved are thought to be subscribers to the $750m loan now being raised on the international markets for Nigeria.

If Nigeria persists in its non-payment, there is some doubt over the ability of the two French banks, BNP and Société Générale, to make available the $50m each is subscribing to the loan.

Confident

The banks stated today, however, that they were confident that the outstanding problem of the debt would be settled and that they were proceeding normally with arrangements to participate in the $750m loan.

The Nigerian embassy in Paris says that it knows nothing of the debt problem. The Quai d'Orsay, the French Foreign Ministry, has confirmed, however, that some months ago it was obliged to intervene to secure the lifting of an order placed by a Paris court at the request of Ipitrade blocking the embassy's account.

Ipitrade itself confirms the events leading up to the recent decision, but says that only its chairman, who is now overseas, can give the latest details. The court itself declines to discuss details of its decisions.

Arbitration

In 1975 the Nigerian Central Bank issued irrevocable letters of credit for the payment, but, apparently, cancelled them after the shipment.

Ipitrade invoked the arbitration procedure of the International Chamber of Commerce, and the Geneva-based panel awarded it $10m for breach of contract.

Nigeria refused to take part in the arbitration or accept the judgment. But subsequently Nigeria agreed to a private settlement with Ipitrade for $6.5m to be paid within 30 days of August 1. It is this sum which has still not been paid.

Since the expiry of the period for remittance of the $6.5m, Ipitrade has, it is understood, gone back to court to seek the means to implement the arbitration award.

Weather

UK TODAY

MOSTLY DRY

London, E., S.E., Cent., N.E. England, E. Anglia, Midlands, Channel Isles

Dry: sunny periods. Max. 19C-21C (66F-70F).

S.W. England, Wales

Mostly dry: sunny intervals. Wind S., strong on coasts. Max. 18C (64F).

N.W. England, Isle of Man, S.W. Scotland, N. Ireland

Mostly dry: sunny intervals. Wind S., strong. Max. 16C (61F).

Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Moray Firth

Dry: sunny periods. Wind S., fresh or strong. Max. 17C-19C (63F-66F).

Cent. Highlands, N.E., N.W. Scotland, Argyll Orkney, Shetland

Occasional rain. Wind S., strong to gale. Max. 13C-15C (55F-59F).

Outlook: Starting bright in E: outbreaks of rain spreading from W to most areas.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amstdm	C	16	61	Manchestr.	C	17	63
Athens	S	26	79	Melbourne	F	15	59
Barcelona	F	19	66	Milan	S	18	64
Belfast	F	15	59	Montreal	C	11	52
Belgrade	S	15	59	Moscow	C	8	46
Berlin	R	14	57	Munich	F	14	57
Bmghm	S	17	63	Newcastle	F	17	63
Bristol	S	17	63	New Delhi	S	30	86
Brussels	F	17	63	New York	C	16	61
Budapest	C	15	59	Oslo	F	8	46
B. Aires	C	16	61	Paris	C	14	57
Cairo	S	31	88	Perth	F	20	68
Cardiff	S	17	63	Prague	C	13	55
Chicago	C	11	52	Reykjavik	F	8	46
Cologne	C	16	61	Rio de J'o	C	26	79
Copnhgn.	R	12	54	Rome	S	22	72
Dublin	S	16	61	Singapore	S	29	84
Edinburgh	F	17	63	Stockholm	C	9	48
Frankfurt	C	15	59	Strasbrg.	C	14	57
Geneva	S	13	55	Sydney	R	12	54
Glasgow	F	17	63	Tehran	S	23	73
Helsinki	R	5	41	Tel Aviv	S	26	79
H. Kong	C	25	77	Tokyo	C	17	63
Jo'burg	S	21	70	Toronto	R	10	50
Lisbon	S	21	70	Vienna	C	13	55
London	S	18	64	Warsaw	R	11	52
Luxemb'g	C	13	55	Zurich	S	14	57
Madrid	S	21	70				

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	20	68	Istanbul	C	18	64
Algiers	S	23	73	Jersey	S	16	61
Biarritz	S	21	70	Las Plms	C	23	73
Blackpool	S	17	63	Locarno	S	17	63
Bordeaux	S	19	66	Majorca	F	23	73
Boulogne	F	15	59	Malaga	F	23	73
Casablnca.	S	23	73	Malta	S	23	73
Cape Town	S	18	64	Nairobi	S	24	75
Corfu	S	23	73	Naples	F	17	63
Dubrovnik	S	20	68	Nice	S	20	68
Faro	S	23	73	Nicosia	S	27	81
Florence	S	20	68	Oporto	S	24	75
Funchal	F	23	73	Rhodes	S	25	77
Gibraltar	C	20	68	Salzburg	F	11	52
Guernsey	S	15	59	Tangier	S	26	79
Innsbruck	S	16	61	Tunis	F	21	70
Inverness	C	16	61	Valencia	S	22	72
Isle of Man	S	14	57	Venice	S	17	63

S—Sunny, F—Fair, C—Cloudy, R—Rain.

THE LEX COLUMN

Crafty tactics in the Baird bid

William Baird is playing an artful game in its bid for Dawson International. Its offer document is built on the White Knight theme, and is mostly devoted to the idea that Dawson's own plans to merge with John Haggas were misguided, and inequitable. Its own terms are mentioned almost as an afterthought.

Fair enough. But the fact is that the planned Haggas deal has been put on ice, at least for the time being. The only decision which Dawson shareholders have to make at the moment is whether or not to accept Baird's offer. And that is by no means compelling.

Baird is, after all, capitalised at just over £31m—which is exactly the value of the shares and cash which it would have to issue to get the 70 per cent of Dawson which it does not already own on these terms. If it succeeded, Baird would substantially improve its profits per share and its cash flow, and Dawson has a very liquid balance sheet.

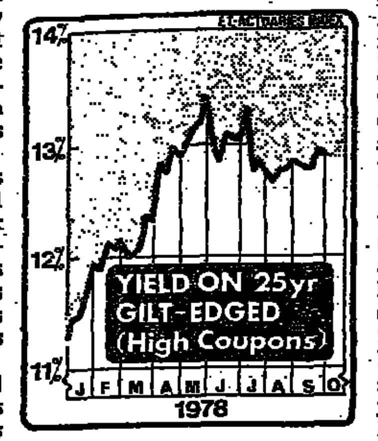
So Dawson shareholders should wait on their Board's riposte, which is likely to include the promise of a substantially higher dividend, revaluations of everything in sight and, maybe, some rather brighter profits news. Contested bids do concentrate the mind. If they decide to reject Baird, it will then be time to think about the link with Haggas.

Gilt-edged

The increased thrift of the personal sector in the second quarter, when the savings ratio rose to 15 per cent from 12½ per cent, according to yesterday's official figures, represents a crumb of comfort for the gilt-edged market, even if rather a stale one.

Just one of the things that could go wrong for the market would be a fall in the savings ratio towards the end of the year associated with a continued consumer boom and higher private sector loan demand. This, added to the upward pressure on short-term money costs already resulting from higher U.S. rates could push the whole yield structure up. The effect that public sector wage settlements may have on the borrowing requirement is another uncertainty, not to mention the exchange rate implications of entry into a European monetary system.

Index fell 1.8 to 503.0



Institutional liquidity presents no difficulties to funding at the moment but investment managers, who are not exactly longing to increase the proportion of debt in their portfolios, are likely to be rather demanding about the price at which they eventually buy. For some time now gilts have been supported a little below tap levels by institutions picking up lines of stock on days of relative weakness; as the market has stubbornly failed to advance, this support may tend to diminish.

EPC

Yesterday's news of management changes and a substantially reduced overall operating deficit added 1½p to EPC's still highly speculative shares, which closed at 40¾p. As presented, net revenue before tax for the first six months is £4.8m, against £4.6m last time. But a better picture of the underlying performance is provided by adding back the capitalised development interest and expenses. On this basis, the net pre-tax deficit is £2.8m, as against £6.6m last time.

One interpretation of the management re-shuffle is that EPC will now adopt a more aggressive attitude to property disposals. This would seem to be confirmed by the new chief executive's hopes that he can bring about a transformation of the p and l account within a couple of years.

Cluff Oil

Cluff Oil, one of the minnows of the British oil business is coming back to shareholders for more cash. This time the company, which was formed from scratch in 1972 by Mr. ... Cluff, is seking to raise £... in a one for four rights ... The issue price is set at ... which represents a 2 per ... premium on the price the ... are traded in under rule ... of the Stock Exchange ... over a year ago Cluff ... £1.93m in another rights ... when the price was set at ...

What has happened in ... meantime? Well, Cluff ... achieved the status of an ... ator in Oman (though ... has yet been discovered) ... closer to getting some royal ... from the Buchan Field in ... North Sea. The latter is due ... start production in October ... year, and should bring Cluff ... least £½m a year of income. But the company cannot rely ... Buchan alone. It needs ... now to survey the Oman ... cession, for more work ... capital, and most of all to ... in a credible bid for a ... round operator licence in ... North Sea.

With all this, it could ... long time before Cluff ma... profits, making it very diff... under company law for the c... pany to pay any dividen... Cluff's crafty solution has ... to attach income warrants ... each new Ordinary share ... warrant—which is not det... able—will entitle the holder ... income of 11p per half-year ... is dependent on the Bu... royalties, and could be ...

This is the kind of device ... a company like Cluff has ... ploit to play the big league ... result is that the rights ... yields 8 per cent—and the... always an outside chance ... one day Cluff will strike ... thing big.

Slater Walker

No precise figures are av... able, but the balance sheet ... Slater Walker Limited ... banking subsidiary of ... crumbled Slater Walker emp... gives a rough impression ... how much this business has ... the taxpayer. It looks ... though the Bank of Engla... support for the depositors ... cost it the best part of £... Against that, it now has ... appears to be a profitable ... ness with net assets of £1... for which it paid £3½m cash ... the value of some of ... assets, which include £13½... properties at cost and a ... loan note, is open to questi...

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